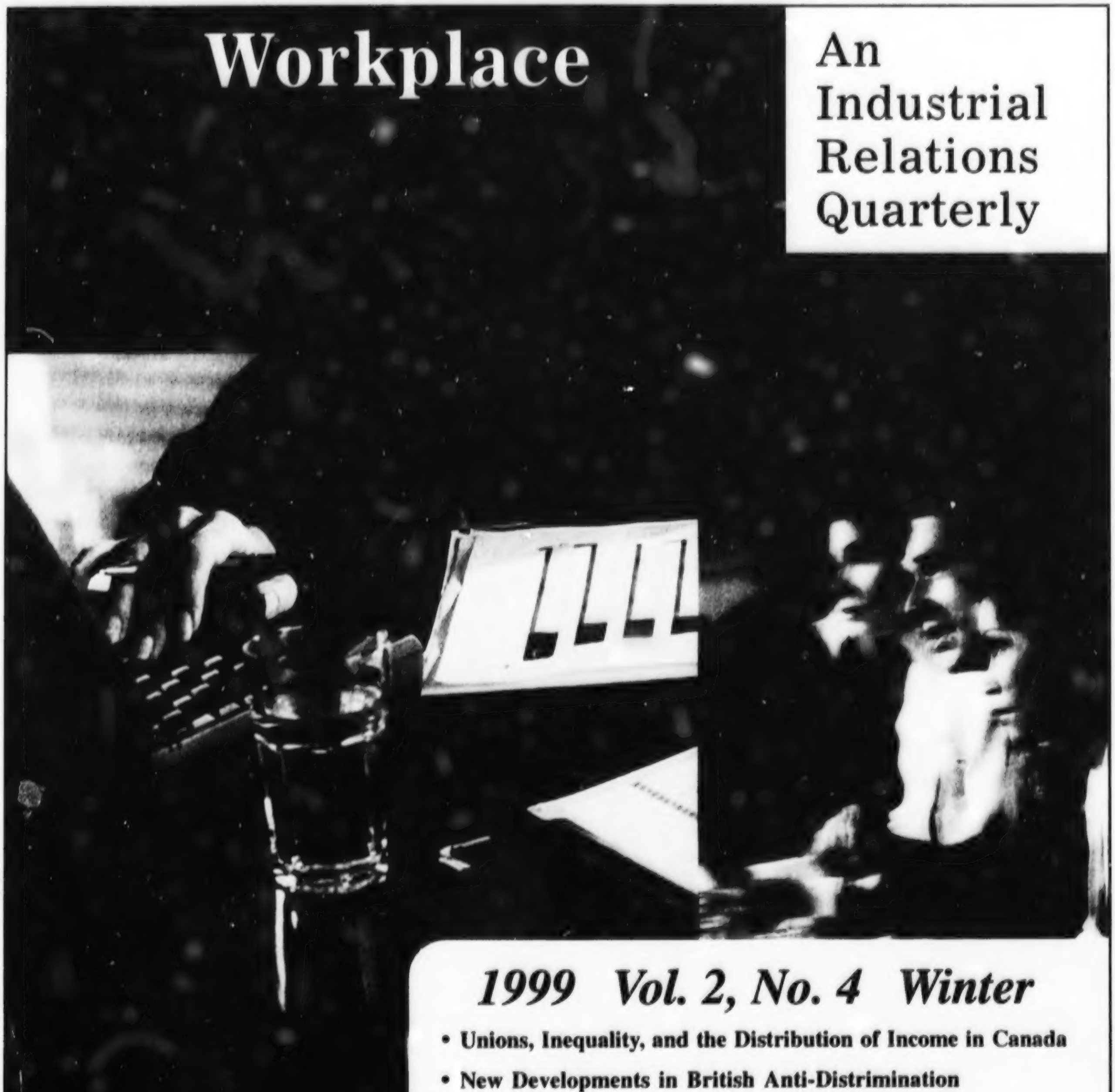

Workplace

An Industrial Relations Quarterly

1999 Vol. 2, No. 4 Winter

- **Unions, Inequality, and the Distribution of Income in Canada**
- **New Developments in British Anti-Distrimination Legislation**
- **Merit Award Program for Initiatives in Employment Equity**

Human Resources Development Canada
Développement des ressources humaines Canada

Canada

100-03193/

Workplace GAZETTE

An Industrial Relations Quarterly

Issued by:

Workplace Information Directorate
Labour Program
Human Resources Development Canada
165 Hôtel de Ville
Place du Portage, Phase II
Hull, Quebec K1A 0J2

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Internet: http://labour.hrdc-drhc.gc.ca/
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Available in Canada through
your local bookseller
or by mail from

Canadian Government Publishing - PWGSC
Ottawa, Canada K1A 0S9

Catalogue No. L12-22E
ISSN 1480-6886

The content of this publication has been prepared by members of the Social Science Employees Association and the Public Service Alliance of Canada.

AT A GLANCE

The *Workplace Gazette* presents a wide range of information and analysis to meet the ever-changing needs of the industrial relations community. Its purpose is to provide a sound base for research in support of the bargaining process.

The *Workplace Gazette* includes information and analysis on wage adjustments, collective agreement provisions, innovative workplace practices, work stoppages, upcoming key negotiations and other related topics.

Section 1

In this issue, Section 1 includes the year 1999, third quarter data on wage adjustments in major collective agreements, both current and historical by public and private sectors, by region, by jurisdiction and by major industry.

Section 2

Section 2 provides information on major collective agreement expiries and reopeners for January, February and March 2000. Also included is an overview of pension plans provisions dealing with age for eligibility and years of service for major agreements in force by industry sector over the ten-year period, 1988 to 1998. Information on work stoppages for the third quarter of 1999 is provided.

Section 3

Section 3 summarizes innovative practices in the workplace resulting from collective bargaining and offers a number of case studies and articles. Case studies include a project of labour-management workshops in Canadian transit systems; and partnership, participation and tensions at the Abitibi-Price Paper Mill in Alma, Quebec. A breakdown in participation and partnership at Cascades Jonquière Inc. while a successful work reorganization at Scott-Kruger in Crabtree, Quebec are described. A study of the innovations over the period 1991 to 1998 at the Atlas Stainless Steels Plant is also featured.

In this issue, an article by Chaykowski and Slotsve highlights the distribution of income in Canada; information is provided by sex, age, industry and unionization status. An article by Oliver describes new developments in British anti-discrimination legislation. The Employment Equity Merit Award winners for 1999 are highlighted and past recipients are mentioned. Porter summarizes some of the key messages on recent bargaining strategies and outcomes delivered during an address to Labour Program employees by Canadian Auto Workers' President Hargrove.

Recent changes in *Canadian Labour Laws* focus on adopted bills, regulations and other statutory instruments.

Yesterday and Today describes the evolution of records of employment from the original stamps and employment books to an electronic version of such records which should reduce employer burden of paper records and curtail data entry workload.

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SECTION 1

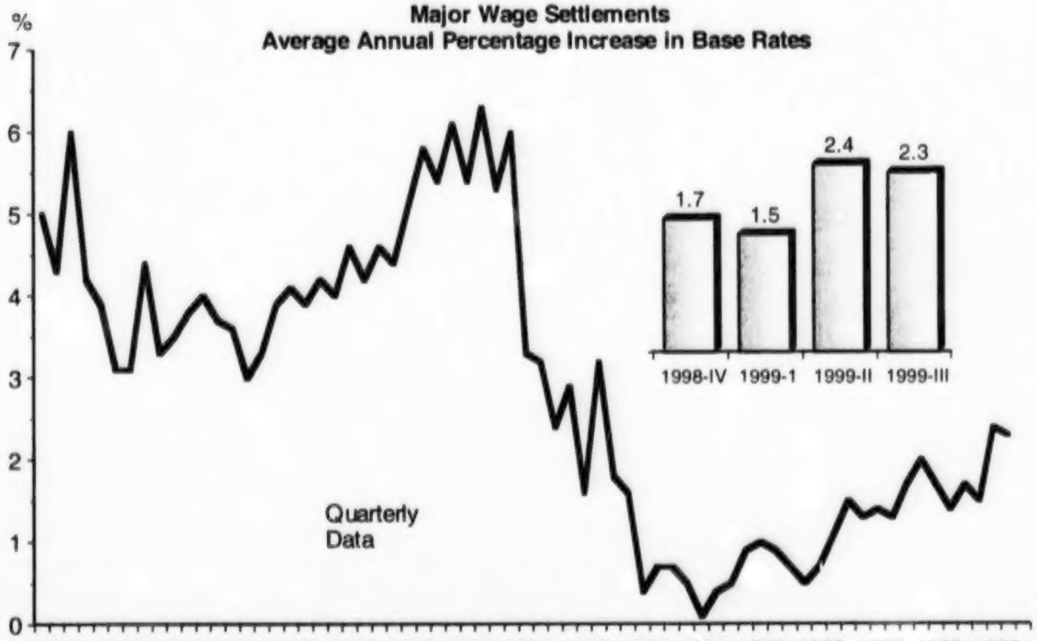
MAJOR WAGE SETTLEMENTS* – THIRD QUARTER 1999

Summary

- Annual base rate wage adjustments averaged 2.3 per cent for third quarter 1999; an increase from 2.0 per cent in the first half of 1999 (see Chart A)
- There were 63 major collective bargaining settlements reached during the third quarter covering 168,350 employees
- Public sector employees averaged 2.4 per cent, an increase from 1.9 per cent in the first half of 1999, while private sector employees averaged 2.3 per cent, the same wage gain as in the first half of this year
- The trend towards longer contract duration continues into the third quarter with the 63 agreements yielding durations averaging 37.1 months; the first three quarters have averaged 36.6 months
- Wage adjustments were highest in the Federal jurisdiction at 3.4 per cent; the lowest in British Columbia at 1.3 per cent
- Wage adjustments, by industry, were the highest in Transportation, Communication and Other Utilities at 3.4 per cent, well above the all-industry average of 2.3 per cent; the lowest were in the Construction sector at 1.4 per cent

Chart A

Major Wage Settlements
Average Annual Percentage Increase in Base Rates



Source: Workplace Information Directorate

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* Major settlements are those involving bargaining units of 500 or more employees. All wage rate adjustments over the term of these agreements, including those arising from cost-of-living clauses (COLA), are taken into account. The yield of such COLA clauses is estimated on an assumed 2.0 per cent annual increase in the Consumer Price Index.

Overview

Base rate wage adjustments from major collective bargaining settlements ratified in the third quarter of 1999, averaged 2.3 per cent annually over the contract-term. This is up from the 2.0 per cent average in the first half of 1999, and 1.6 per cent for the year 1998. Wage adjustments so far in 1999 (January-September) have averaged 2.1 per cent.

The third-quarter 1999 results are based on a review of 63 settlements reached in the period, with a coverage of 168,350 employees. When the parties to these settlements previously negotiated, with contract durations averaging approximately 31 months, the resulting wage adjustments averaged 1.5 per cent, compared to the 2.3 per cent gain in their most recent third-quarter settlements.

Since troughing in mid-1994, the overall size of wage adjustments has trended upwards, though moderately, and the 2.1 per cent gain so far in 1999, remains well below the most recent annual peak gain of 5.6 per cent in 1990. Also, since 1993, average wage adjustments in the private sector have generally been above those in the public sector, although the gap has been narrowing since late 1997.

Public sector wage adjustments averaged 2.4 per cent in the third quarter of 1999, an increase from 1.9 per cent in the first half of this year, and 1.6 per cent for the year 1998. In the private sector, settlements reached in the third quarter provided wage adjustments averaging 2.3 per cent, the same wage gain as in the first half of this year, but up from 1.8 per cent for the year 1998.

The trend towards longer duration contracts in the 1990s has continued into 1999. The 63 contracts reached in the third quarter of 1999 covering 168,350 employees, yielded contract durations averaging 37.1 months. Settlements reached in the first three quarters of this year have been on average, with a duration of 36.6 months; if continued into the fourth quarter, this would produce a record-high in the length of contracts (above the previous record of 33.8 months in 1997).

Wage gains were above the all-industry average of 2 3 per cent: in Transportation, Communication and Other Utilities, at 3.4 per cent; Manufacturing, at 3.3 per cent; and Community, Business and Personal Services, at 2.5 per cent. In Public Administration, wage gains averaged 2.2 per cent; in Trade, 1.9 per cent; in Primary Industries, 1.6 per cent; and in Construction, 1.4 per cent.

On a regional/jurisdictional basis, average wage adjustments in descending order of magnitude were: Federal jurisdiction, 3.4 per cent; Ontario, 3.3 per cent; Prairie Provinces, 3.0 per cent; Atlantic Provinces, 2.4 per cent; Quebec, 1.5 per cent; and British Columbia, 1.3 per cent.

Distribution by Size and Wage Adjustments

With the upturn in the size of wage adjustments since the trough in 1994, there has been a corresponding decline in the incidence of wage freezes and wage cuts. In 1994, nearly two-thirds (65.6 per cent) of all employees were subject to wage freezes or cuts; in the first half of this year, that proportion had dropped to 4.8 per cent of all employees; 1.5 per cent of all employees in two settlements reached in the third quarter of this year were subject to wage freezes, with no wage cuts.

The distribution of third-quarter wage adjustments was much wider in the private than in the public sector. Employees in the latter sector all gained wage increases below 4.0 per cent. In the private sector, close to 74 per cent of employees obtained wage adjustments in that under-four per cent range; the other 26 per cent obtained wage increases ranging from 4.0 to 7.3 per cent.

Public and Private Sectors, Regions/Jurisdictions

Close to three-quarters (73.7 per cent) of employees in the third-quarter settlements were in the private sector; the 124,000 employees obtained wage adjustments averaging 2.3 per cent through 38 settlements. In the public sector, 25 third-quarter settlements provided 44,350 employees with wage gains averaging 2.4 per cent (see Chart B).

For both sectors combined, the largest average increase occurred in the Federal jurisdiction, where 28,110 employees achieved an average 3.4 per cent wage gain from ten settlements. The majority was in the private sector (under the *Canada Labour Code*): 22,780 employees with an average increase

Table 1

Distribution of Agreements and Employees by Size of Wage Adjustments, Third Quarter 1999

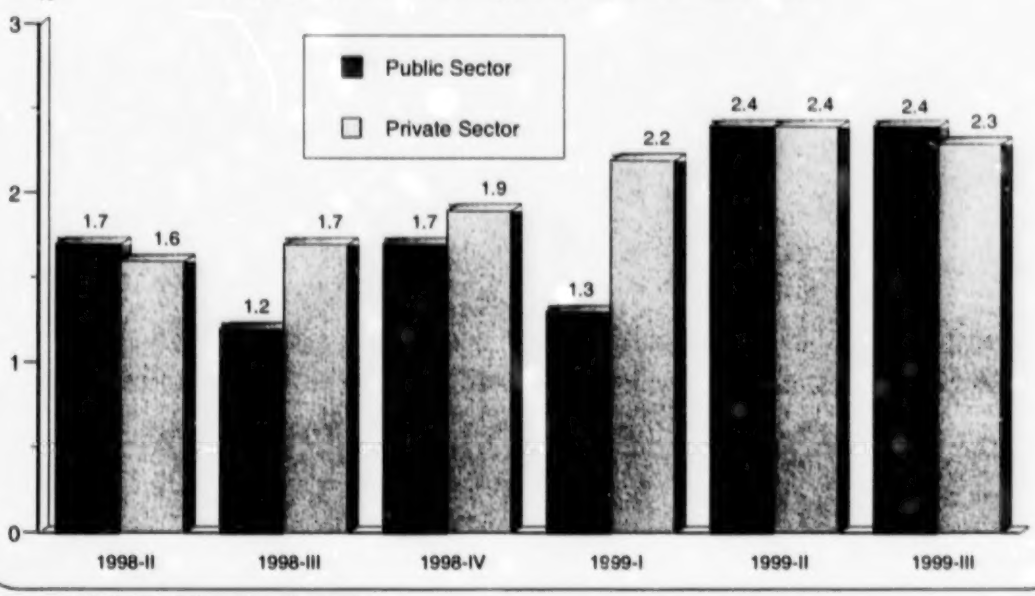
Adjustment Range	Agreements		Employees	
	Number	Percentage	Number	Percentage
No increase (0.0%)	2	3.2	2,530	1.5
>0.0% to 0.9%	3	4.8	2,760	1.6
1.0% to 1.9%	19	30.2	83,830	49.8
2.0% to 2.9%	21	33.3	27,910	16.6
3.0% to 3.9%	10	15.9	9,340	11.5
4.0% to 4.9%	6	9.5	28,930	17.2
5.0% to 5.9%	1	1.6	850	0.5
6.0% to 6.9%	-	-	-	-
7.0% and over	1	1.6	2,200	1.3
ALL LEVELS	63	100.0	168,350	100.0

Note: Percentages may not add to 100.0 due to rounding.

Source: Workplace Information Directorate

Chart B

Major Wage Settlements – Public and Private Sectors Average Annual Percentage Adjustment in Base Rates



Source: Workplace Information Directorate

of 3.8 per cent through seven settlements. The Federal jurisdiction's private-sector average was boosted by settlements in the Transportation, Communication and Other Utilities sector, including 12,950 Air Canada employees at 4.0 per cent, 1,700 Maritime Tel employees at 4.2 per cent, and 2,200 NAV CANADA air traffic controllers, with the largest third-quarter wage gain of 7.3 per cent (see Chart C).

In the public sector within the Federal jurisdiction, 5,330 employees gained increases averaging 1.8 per cent. They comprised:1,600 Ottawa-Carleton Regional Transit employees at 2.1 per cent; 3,200 Canada Post supervisory and administrative employees at 1.6 per cent; and 530 National Research Council support employees at 2.1 per cent.

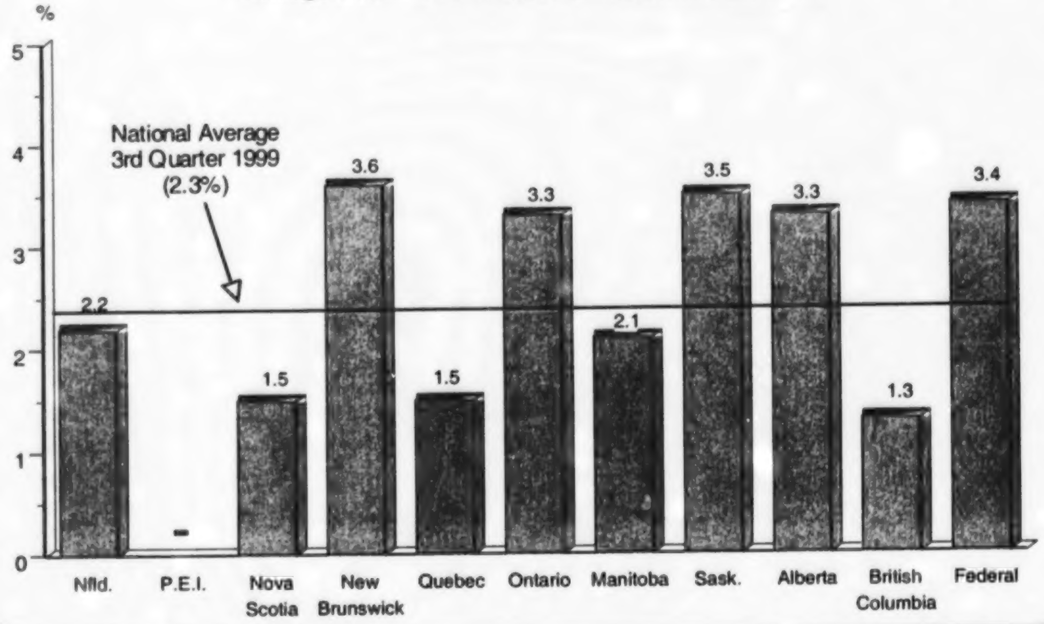
Ontario's 29,620 employees in both sectors' 14 third-quarter settlements gained the second largest average increase of 3.3 per cent. In Ontario's private sector, 16,960 employees in six settlements gained an average increase of 3.9 per cent. These private sector settlements ranged from 1.8 per cent for 680 Weyerhaeuser Canada mill employees, to 4.4 per cent for 12,930 Ford Motor Company of Canada employees. Also among these were 750 Bombardier plant employees at 2.4 per cent, 800 Canadian Pacific hotel employees at 2.7 per cent, 1,050 A&P retail food store employees at 1.9 per cent, and 750 Falconbridge metallurgical employees at Kidd Creek, with a wage gain of 2.2 per cent.

Ontario's public sector settlements were all in the municipal and education sectors, with wage increases ranging from 1.9 per cent for 560 City of Ottawa firefighters, through gains of 2.5 per cent for 6,970 City of Toronto outside workers, to a high of 3.0 per cent for 820 part-time teaching staff at the University of Ottawa. The average wage for 12,660 employees from the eight public sector agreements was 2.4 per cent.

In the Prairie Provinces, wage gains for 22,330 employees in eight agreements averaged 3.0 per cent. In contrast to other regions/jurisdictions, the employees and settlements were mostly concentrated in the public sector, in which 20,980 employees in these provinces' seven settlements gained average increases of 2.9 per cent.

Chart C

Major Wage Settlements by Jurisdiction
Average Annual Percentage Adjustment in Base Rates



Source: Workplace Information Directorate

Significant public sector agreements in the Prairie Provinces included: 8,400 Saskatchewan nurses with a wage gain of 3.5 per cent; 6,610 Manitoba health-sector employees at 1.8 per cent; and 5,970 education sector employees at an average of 3.3 per cent.

A single private sector agreement in Manitoba with 1,350 Boeing Canada Technology Ltd. employees, provided a wage increase of 4.0 per cent annually over the term of the three-year contract.

The Atlantic Provinces' total of six settlements covering 4,450 employees provided wage increases averaging 2.4 per cent. Three private sector agreements for 2,450 employees averaged 2.9 per cent: 1,200 New Brunswick construction workers in a 3.8 per cent settlement; 550 forestry workers in Newfoundland at 2.2 per cent, and another 700 in Nova Scotia at 1.8 per cent. Three public sector settlements covering 2,000 employees provided wage increases averaging 1.8 per cent. In Nova Scotia, 900 Cape Breton School Board employees obtained a wage increase of 1.4 per cent, and 550 Halifax municipal employees gained an increase of 1.1 per cent, while 550 pharmacists in New Brunswick obtained an increase of 3.2 per cent.

The largest concentration of employees in third-quarter settlements was in Quebec, where 70,620 employees gained wage increases averaging 1.5 per cent in 15 settlements. In the private sector, 67,850 of these employees in 12 settlements gained increases also averaging 1.5 per cent, and largely reflecting the impact of three settlements in the Construction sector, with wage increases averaging 1.3 per cent for 60,500 employees. Other notable private sector agreements in Quebec included: 1,300 Goodyear Canada employees at 3.4 per cent, 1,100 Waterville T.G. employees at 2.9 per cent, and 850 Rolls-Royce Canada employees with a wage gain of 5.0 per cent.

Three public sector settlements in Quebec provided average wage gains of 1.1 per cent for 2,770 employees. They comprised: 1,500 office, clerical and service employees of the Université Laval with a wage increase of 0.5 per cent, 740 City of Laval employees at 1.6 per cent and 530 bus drivers with the Société de transport de la rive sud de Montréal at 2.0 per cent.

Ten settlements in British Columbia for 13,220 employees provided an average wage gain of 1.3 per cent. In a single public sector agreement with 610 British Columbia Buildings Corporation service employees, there was a wage gain of 0.7 per cent, while in nine private sector settlements, wage adjustments averaged 1.3 per cent for 12,610 employees.

Settlements in the private sector comprised: wage freezes for 1,700 shoreworkers of the Canadian Fishing Company and for 830 Highland Valley Copper employees; increases of 1.7 per cent for 4,050 employees with the Hospitality Industrial Relations Association of British Columbia and for 900 employees of Coast Hotels Ltd. in Nanaimo;

Table 2

Major Wage Settlements by Region/Jurisdiction, Third Quarter 1999

	Agreements		Employees		Wage Adjustment
Region/Jurisdiction	Number	Percentage	Number	Percentage	Average Annual %
Atlantic Canada	6	9.5	4,450	2.6	2.4
Quebec	15	23.8	70,620	41.9	1.5
Ontario	14	22.2	29,620	17.6	8.3
Prairie Provinces	8	12.7	22,330	13.3	3.0
British Columbia	10	15.9	13,220	7.9	1.3
Federal Jurisdiction	10	15.9	28,110	16.7	3.4
CANADA	63	100.0	168,350	100.0	2.3

Source: Workplace Information Directorate

3.0 per cent for 500 Canadian Pacific employees at the Empress Hotel in Victoria; 2.7 per cent for 1,140 Pacific Press employees in Vancouver; 1.5 per cent for 1,450 Cominco employees; 1.0 per cent for 1,390 Alcan Smelters and Chemicals employees; and 0.7 per cent for 650 British Columbia Gas Utility employees.

Major Industry Group

On an industry basis, the largest average increases occurred in the Transportation, Communication and Other Utilities sector, with 29,310 employees obtaining average gains of 3.4 per cent in 12 settlements, all in the Federal jurisdiction (see Chart D). (See details in preceding section of this report.)

The largest concentration of employees on an industry basis was in the Construction sector, with 61,700 employees in four settlements obtaining the lowest average industry gains of 1.4 per cent; the vast majority (60,500) were in Quebec with increases of 1.3 per cent.

In the Manufacturing sector, 14 settlements provided 26,820 employees with the second largest third-quarter average increase to an industry group, at 3.3 per cent. The average reflected the impact of the settlement between 12,930 Canadian Auto Workers and the Ford Motor Company of Canada at 4.4 per cent; for the other 13,890 manufacturing employees, wage adjustments averaged 2.3 per cent.

Table 3, next page, summarizes the distribution of settlements by industry.

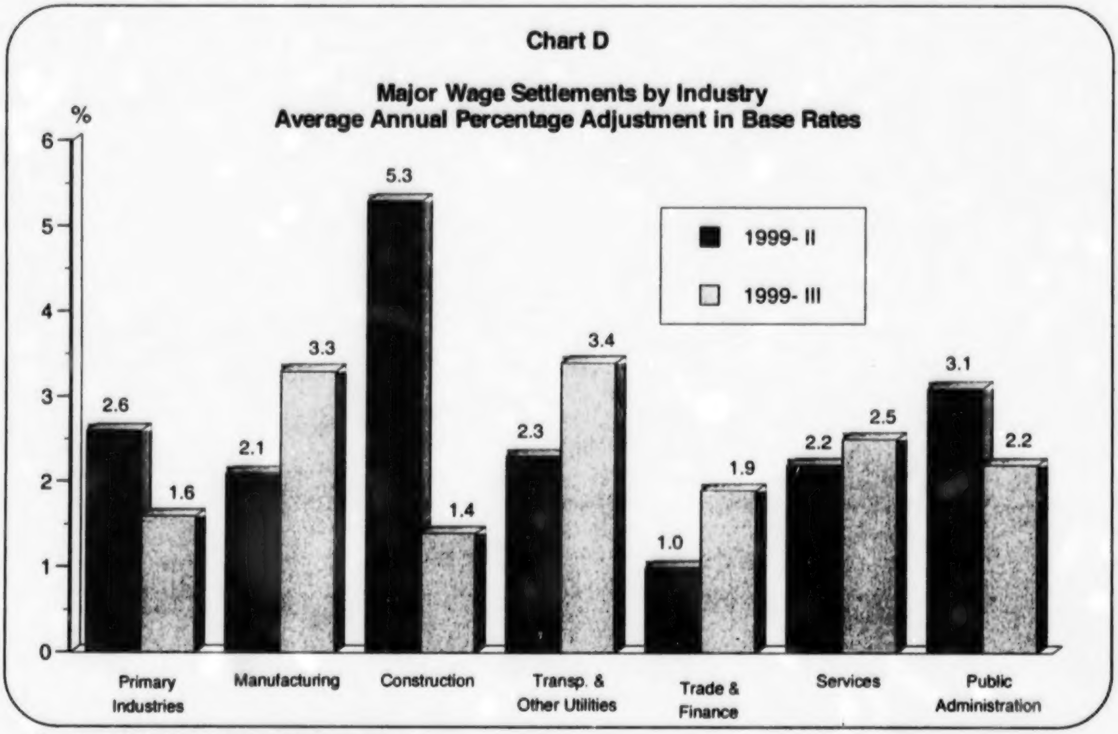


Chart D

Major Wage Settlements by Industry
Average Annual Percentage Adjustment in Base Rates

Source: Workplace Information Directorate

Table 3

Major Wage Settlements by Industry, Third Quarter 1999

Industry	Agreements Number	Agreements Percentage	Employees Number	Employees Percentage	Wage Adjustment Average Annual %
Primary Industry	4	6.3	2,750	1.6	1.6
Manufacturing	14	22.2	26,820	15.9	3.3
Construction	4	6.3	61,700	36.6	1.4
Transportation, Communication and Other Utilities	12	19.0	29,310	17.4	3.4
Trade	2	3.2	1,900	1.1	1.9
Community, Business and Personal Services	21	33.3	35,340	21.0	2.5
Public Administration	6	9.5	10,530	6.3	2.2
ALL INDUSTRIES	63	100.0	168,350	100.0	2.3

Note: Percentages may not add to 100.0 due to rounding.

Source: Workplace Information Directorate

MAJOR SETTLEMENTS REACHED IN THE THIRD QUARTER OF 1999

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Primary (4 agreements)	**2,750**	**1.6**	**1.7**	**48.6**	
Corner Brook Pulp and Paper Limited, wood operators, Corner Brook, Newfoundland	550	2.2	3.0	60	2003-12-31
Falconbridge - Kidd Creek, smelting and refinery employees, Timmins, Ontario	750	2.2*	2.0	38	2002-09-30
Highland Valley Copper, production employees, Logan Lake, British Columbia	830	0.0	0.0	60	2003-09-30
Noranda inc.-Fonderie Horne, mine employees, Rouyn-Noranda, Quebec	620	2.4	2.5	36	2002-02-28
Manufacturing (14 agreements)	**26,820**	**3.3**	**2.8**	**37.3**	
Alcan Smelters and Chemicals Ltd., plant and maintenance employees, Kitimat, British Columbia	1,390	1.0*	1.0	36	2002-07-23
Boeing Canada Technology Ltd., plant and maintenance employees, Winnipeg, Manitoba	1,350	4.0*	3.1	36	2002-07-10
Bombardier Inc., Mass Transit Division, production employees, Thunder Bay, Ontario	750	2.4*	2.1	36	2002-05-31
Canadian Fishing Company, fish processing employees, Coast of British Columbia	1,700	0.0	0.0	24	2001-04-15
Cominco Ltd., plant and maintenance employees, Trail, British Columbia	1,450	1.5	1.5	24	2001-05-31
Domtar Inc. (Fine Papers Division), production employees, Windsor, Quebec	700	2.5	3.0	72	2005-04-30
Ford Motor Company of Canada Limited, plant and maintenance employees, Windsor, Ontario	12,930	4.4*	3.7	36	2002-09-17
Goodyear Canada Inc., plant and maintenance employees, Valleyfield, Quebec	1,300	3.4*	2.2	36	2002-06-30
Pacific Press Limited, print media employees, Vancouver, British Columbia	1,140	2.7	3.0	36	2001-11-30
Rolls-Royce (Canada) Limited, production employees, Lachine, Quebec	850	5.0	4.0	24	2001-04-01
Stora Enso Port Hawkesbury Limited, mill employees, Point Tupper, Nova Scotia	700	1.8	0.0	72	2004-05-31
Tye-Sil Corporation limitée, plant and maintenance employees, Montréal, Quebec	730	2.0	2.0	48	2003-01-31
Waterville TG inc., plant and maintenance employees, Waterville, Quebec	1,150	2.9*	2.9	36	2002-07-31
Weyerhaeuser Canada Ltd., mill employees, Dryden, Ontario	680	1.8	0.0	72	2004-09-01
Construction (4 agreements)	**61,700**	**1.4**	**0.1**	**35.8**	
Association de la construction du Québec, construction trades - all, province-wide, Quebec	27,000	1.3	0.0	36	2001-04-30
Association de la construction du Québec, construction trades - all, province-wide, Quebec	13,500	1.3	0.0	36	2001-04-30
Association des constructeurs de routes et grands travaux du Québec, construction trades - all, province-wide, Quebec	20,000	1.3	0.0	36	2001-04-30
Mechanical Contractors Association of N.B. Inc., plumbers and pipefitters, province-wide, New Brunswick	1,200	3.8	3.3	24	2001-06-30

* Agreement with cost-of-living allowances (COLA) calculated at a projeted 2.0 per cent inflation rate.

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Transportation, Communication and Other Utilities (12 agreements)	**29,310**	**3.4**	**3.8**	**38.5**	
Air Canada, flight attendants, system-wide	4,550	4.0	5.0	36	2001-10-31
Air Canada, operational employees, system-wide	8,400	4.0	5.0	36	2002-06-22
B.C. Gas Utility Ltd., utility workers, province-wide, British Columbia	650	0.7	0.0	36	2001-03-31
Canada Post Corporation, technical employees, Canada-wide	3,200	1.6	1.5	37	2001-10-30
Canadian Pacific Limited, locomotive engineers, system-wide	4,400	2.0	2.0	48	2002-12-31
City of Mississauga, bus drivers, Mississauga, Ontario	550	2.3	2.0	42	2002-09-30
MTS Communications Inc., telephone operators, province-wide, Manitoba	1,530	2.2	2.5	36	2001-12-19
MTT, office and clerical employees, province-wide, Nova Scotia	850	4.2*	4.5	38	2002-01-01
MTT, plant and maintenance employees, province-wide, Nova Scotia	850	4.1*	4.4	38	2002-01-01
NAV-CANADA, air traffic controllers, Canada-wide	2,200	7.3	6.0	39	2001-03-31
Ottawa-Carleton Regional Transit Commission, bus drivers, Ottawa, Ontario	1,600	2.1	4.0	34	2002-03-31
Société de transport de la Rive-Sud de Montréal, bus drivers, Longueuil, Quebec	530	2.0*	2.0	48	2002-12-31
Trade (2 agreements)	**1,900**	**1.9**	**2.3**	**43.2**	
Automobile Industry Employers' Association Inc., hourly rated employees, Montréal, Quebec	850	2.0	2.5	36	2002-07-16
Super Fresh Food Markets (Division of A&P Co. of Canada Limited), retail employees, province-wide, Ontario	1,050	1.9	2.1	49	2003-09-22
Community, Business and Personal Services (21 agreements)	**35,340**	**2.5**	**2.6**	**36.6**	
Board of School Trustees of the Edmonton Catholic Regional Division No. 40, office and clerical employees, Edmonton, Alberta	560	3.3	3.3	12	2000-08-31
Calgary Roman Catholic Separate School District No. 1, elementary and secondary teachers, Calgary, Alberta	2,500	3.6	4.2	24	2000-08-31
Canadian Pacific Hotels and Resorts Corporation, hotel or restaurant employees, Toronto, Ontario	800	2.7	3.3	36	2002-02-28
Canadian Pacific Hotels Corporation (Empress Hotel), hotel or restaurant employees, Victoria, British Columbia	500	3.0	3.0	36	2002-08-31
Canadian Pacific Hotels Corporation (Queen Elizabeth Hotel), hotel or restaurant employees, Montréal, Quebec	600	3.0	3.0	36	2002-06-30
Cape Breton Victoria Regional School Board, support employees, Cape Breton Island, Nova Scotia	900	1.4	1.7	41	2001-03-31
Children's Aid Society of Toronto, office and clerical employees, Toronto, Ontario	530	2.5	4.3	39	2002-03-31
Coast Hotels Ltd., hotel or restaurant employees, Nanaimo, British Columbia	900	1.7	2.0	36	2002-04-30
Deer Lodge Centre Inc., non-medical employees, Winnipeg, Manitoba	510	1.8	3.0	46	2002-04-01
Government of New Brunswick, health and social care professionals, province-wide, New Brunswick	550	3.2	1.5	36	2000-12-31
Governors of the University of Calgary, support employees, Calgary, Alberta	2,910	3.0	3.0	24	2001-03-31

* Agreements with cost-of-living allowances (COLA) calculated at a projected 2.0 per cent inflation rate.

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Community, Business and Personal Services (continued)					
Hospitality Industrial Relations, hotel or restaurant employees, province-wide, British Columbia	4,050	1.7	2.0	36	2002-05-31
National Research Council of Canada, support employees, Canada-wide	530	2.1	2.5	48	2001-04-30
Regional Health Authorities of Manitoba, home care workers, province-wide, Manitoba	4,800	1.8	0.0	48	2002-03-31
St. Boniface General Hospital, service and maintenance employees, St. Boniface, Manitoba	1,300	1.7	0.0	48	2002-03-31
Saskatchewan Association of Health Organizations, nurses, province-wide, Saskatchewan	8,400	3.5	4.4	36	2002-03-31
Société du parc des Îles, service and maintenance employees, Montréal, Quebec	550	1.6	2.0	48	2002-12-31
Université Laval, office and clerical employees, Québec, Quebec	1,500	0.5	0.0	66	2000-05-31
University of Ottawa, professors, Ottawa, Ontario	820	3.0	2.9	36	2001-08-31
University of Western Ontario, office and clerical employees, London, Ontario	1,000	2.1	3.8	22	2001-06-30
York University, office and clerical employees, Metropolitan Toronto, Ontario	1,130	2.7	2.7	12	2000-07-31
Public Administration (6 agreements)	**10,530**	**2.2**	**1.8**	**38.3**	
British Columbia Buildings Corporation, building maintenance, province-wide, British Columbia	610	0.7	0.0	36	2002-04-30
City of Laval, recreational employees, Laval, Quebec	740	1.6	1.5	48	2001-12-31
City of Ottawa (Firefighters), firefighters, Ottawa, Ontario	560	1.9	2.1	33	1998-12-31
City of Toronto, outside employees, Toronto, Ontario	6,970	2.5	2.0	36	2002-01-01
City of Windsor, inside employees, Windsor, Ontario	1,100	2.2	2.0	36	2001-12-31
Halifax Regional Municipality, inside employees, Halifax, Nova Scotia	550	1.1	0.0	67	2001-10-31
Agreements with COLA (10 agreement)	**21,320**	**3.8**	**3.3**	**36.5**	
Agreements without COLA (53 agreements)	**147,030**	**2.1**	**1.6**	**37.2**	
All agreements (63 agreements)	**168,350**	**2.3**	**1.8**	**37.1**	

Source: Workplace Information Directorate

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* Cost-of-Living Allowance (COLA) formulae are quantified using a combination of the latest relevant Consumer Price Index (CPI) data available and/or a projected CPI increase of 2.0 per cent. Consult the Technical Notes for information on the calculation of the yield from COLA increases, and definitions of the industry and sector divisions used in this publication.

Table A-1

Effective Wage Adjustment in Base Rates, Number of Agreements and Employees Covered, by Year and Quarter

	1996	1997	1998	1998	1999		
				4	1	2	3
All Industries							
Wage Adjustment (%)	0.9	1.5	1.6	1.7	1.5	2.4	2.3
Number of Agreements	377	381	395	101	105	117	63
Number of Employees (000's)	809.8	695.4	916.1	243.1	245.3	261.4	168.4
Private Sector							
Wage Adjustment (%)	1.7	1.8	1.8	1.9	2.2	2.4	2.3
Number of Agreements	164	160	176	33	28	53	38
Number of Employees (000's)	243.9	324.1	269.2	37.8	54.2	63.1	124.0
Public Sector							
Wage Adjustment (%)	0.5	1.2	1.6	1.7	1.3	2.4	2.4
Number of Agreements	213	221	219	68	77	64	25
Number of Employees (000's)	565.9	371.3	646.9	205.3	191.1	198.3	44.4
Federal Administration							
Wage Adjustment (%)	0.0	3.2	2.2	2.2	2.1	3.7	2.1
Number of Agreements	1	1	16	6	3	5	1
Number of Employees (000's)	0.6	8.7	124.2	100.5	15.0	28.7	0.5
Federal Crown Corporations							
Wage Adjustment (%)	0.4	1.4	2.2	-	-	2.5	1.6
Number of Agreements	5	8	7	-	-	5	1
Number of Employees (000's)	10.1	65.4	9.3	-	-	16.6	3.2
Provincial Administration							
Wage Adjustment (%)	0.2	1.2	1.6	1.6	1.6	1.4	1.6
Number of Agreements	37	26	30	8	15	2	2
Number of Employees (000's)	151.8	45.1	112.2	10.9	58.4	7.3	5.4
Local Administration							
Wage Adjustment (%)	1.1	1.2	1.5	2.1	2.3	1.8	2.2
Number of Agreements	31	34	32	4	9	5	8
Number of Employees (000's)	48.8	43.8	49.1	4.4	6.8	7.9	12.6
Education, Health and Welfare							
Wage Adjustment (%)	0.5	1.0	1.3	1.0	0.9	2.2	2.9
Number of Agreements	122	148	132	49	45	45	13
Number of Employees (000's)	319.1	203.9	350.0	88.4	103.1	136.2	22.6
Public Utilities							
Wage Adjustment (%)	0.9	1.6	1.4	2.0	2.4	2.4	-
Number of Agreements	17	4	2	1	5	2	-
Number of Employees (000's)	35.4	4.4	2.1	1.2	7.8	1.7	-

Table A-2

Effective Wage Adjustment in Base Rates, by Effective Period, Third Quarter 1999

Sector/ Agreement Duration	Number of Agreements	Number of Employees	First 12 Months	Second 12 Months	Third 12 Months	Fourth 12 Months	Average Annual Adjustment	Average Agreement Duration
		(000's)	(%)	(%)	(%)	(%)	(%)	(Months)
All Industries								
17 Months or Less	2	1.7	2.9	-	-	-	2.9	12.0
18-29 Months	7	11.6	2.8	2.5	-	-	2.7	23.8
30-41 Months	36	133.9	1.8	3.7	1.7	0.5	2.4	36.1
42 Months or More	18	21.2	1.1	2.1	1.8	1.8	1.7	52.7
All Agreements	63	168.4	1.8	3.4	1.7	1.8	2.3	37.1
Private Sector								
17 Months or Less	-	-	-	-	-	-	-	-
18-29 Months	4	5.2	1.8	2.4	-	-	2.1	24.0
30-41 Months	25	108.6	1.6	4.0	1.5	0.5	2.3	36.1
42 Months or More	9	10.2	1.7	2.0	1.8	1.8	1.8	54.6
All Agreements	38	124.0	1.6	3.8	1.5	1.7	2.3	37.1
Public Sector								
17 Months or Less	2	1.7	2.9	-	-	-	2.9	12.0
18-29 Months	3	6.4	3.6	2.5	-	-	3.1	23.7
30-41 Months	11	25.2	2.9	2.4	2.6	-	2.6	36.2
42 Months or More	9	11.0	0.6	2.2	1.7	1.9	1.6	51.0
All Agreements	25	44.4	2.4	2.4	2.3	1.9	2.4	37.1
Federal Administration								
17 Months or Less	-	-	-	-	-	-	-	-
18-29 Months	-	-	-	-	-	-	-	-
30-41 Months	-	-	-	-	-	-	-	-
42 Months or More	1	0.5	2.5	2.0	2.0	2.0	2.1	48.0
All Agreements	1	0.5	2.5	2.0	2.0	2.0	2.1	48.0
Federal Crown Corporations								
17 Months or Less	-	-	-	-	-	-	-	-
18-29 Months	-	-	-	-	-	-	-	-
30-41 Months	1	3.2	1.5	1.5	1.9	-	1.6	37.0
42 Months or More	-	-	-	-	-	-	-	-
All Agreements	1	3.2	1.5	1.5	1.9	-	1.6	37.0
Provincial Administration								
17 Months or Less	-	-	-	-	-	-	-	-
18-29 Months	-	-	-	-	-	-	-	-
30-41 Months	1	0.6	0.0	0.0	2.0	-	0.7	36.0
42 Months or More	1	4.8	0.0	3.0	2.0	2.0	1.8	48.0
All Agreements	2	5.4	0.0	2.7	2.0	2.0	1.6	46.6
Local Administration								
17 Months or Less	-	-	-	-	-	-	-	-
18-29 Months	-	-	-	-	-	-	-	-
30-41 Months	4	10.2	2.3	2.1	2.5	-	2.3	35.5
42 Months or More	4	2.4	1.4	1.7	1.9	1.8	1.7	51.0
All Agreements	8	12.6	2.1	2.1	2.4	1.8	2.2	38.4
Education, Health and Welfare								
17 Months or Less	2	1.7	2.9	-	-	-	2.9	12.0
18-29 Months	3	6.4	3.6	2.5	-	-	3.1	23.7
30-41 Months	5	11.2	3.9	3.1	2.9	-	3.3	36.5
42 Months or More	3	3.3	0.5	1.5	1.1	1.7	1.2	55.8
All Agreements	13	22.6	3.2	2.7	2.5	1.7	2.9	33.9
Public Utilities								
17 Months or Less	-	-	-	-	-	-	-	-
18-29 Months	-	-	-	-	-	-	-	-
30-41 Months	-	-	-	-	-	-	-	-
42 Months or More	-	-	-	-	-	-	-	-
All Agreements	-	-	-	-	-	-	-	-

Table B-1

Effective Wage Adjustment in Base Rates, by Major Industry Division, with and without COLA, by Year and Quarter

	1996	1997	1998	1998	1999		
				4	1	2	3
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
All Industries							
Agreements without COLA	0.6	1.4	1.6	1.7	1.5	2.5	2.1
Agreements with COLA	2.5	1.7	2.5	3.2	2.1	1.9	3.8
All Agreements	0.9	1.5	1.6	1.7	1.5	2.4	2.3
Primary Industry							
Agreements without COLA	1.7	1.9	1.1	0.0	-	2.7	0.9
Agreements with COLA	1.7	1.7	-	-	-	2.4	2.3
All Agreements	1.7	1.7	1.1	0.0	-	2.6	1.6
Manufacturing							
Agreements without COLA	2.8	2.1	0.9	1.4	1.4	1.9	2.0
Agreements with COLA	2.8	2.6	2.7	3.2	2.5	2.3	4.0
All Agreements	2.8	2.3	1.4	1.8	1.6	2.1	3.3
Construction							
Agreements without COLA	0.0	1.6	2.4	2.3	2.5	5.3	1.4
Agreements with COLA	1.2	-	2.9	2.7	-	-	-
All Agreements	0.1	1.6	2.4	2.4	2.5	5.3	1.4
Transportation, Communication and Other Utilities							
Agreements without COLA	0.7	1.7	1.9	1.9	2.0	2.6	3.3
Agreements with COLA	1.9	1.5	1.9	4.1	1.7	2.0	3.6
All Agreements	0.7	1.6	1.9	2.2	2.0	2.3	3.4
Trade, Finance, Insurance and Real Estate							
Agreements without COLA	0.7	1.7	1.5	1.5	2.4	1.4	1.9
Agreements with COLA	0.2	1.6	2.8	-	-	0.6	-
All Agreements	0.6	1.7	1.5	1.5	2.4	1.0	1.9
Community, Business and Personal Services							
Agreements without COLA	0.6	1.0	1.3	1.0	0.9	2.2	2.5
Agreements with COLA	0.8	1.5	0.9	-	-	-	-
All Agreements	0.6	1.0	1.3	1.0	0.9	2.2	2.5
Public Administration							
Agreements without COLA	0.2	1.4	1.8	2.2	1.7	3.2	2.2
Agreements with COLA	4.9	-	-	-	-	2.3	-
All Agreements	0.4	1.4	1.8	2.2	1.7	3.1	2.2

Table B-2

Number of Agreements and Employees Covered, by Major Industry Division, with and without COLA, by Year and Quarter

	1996		1997		1998	
	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees
		(000's)		(000's)		(000's)
All Industries						
Agreements without COLA	330	707.9	344	582.9	360	883.6
Agreements with COLA	47	101.9	37	112.5	35	32.5
All Agreements	377	809.8	381	695.4	395	916.1
Primary Industry						
Agreements without COLA	8	7.0	3	2.3	2	1.8
Agreements with COLA	3	3.5	5	8.3	-	-
All Agreements	11	10.5	8	10.6	2	1.8
Manufacturing						
Agreements without COLA	49	34.3	41	49.7	48	61.3
Agreements with COLA	32	77.1	21	22.6	25	23.9
All Agreements	81	111.4	62	72.3	73	85.1
Construction						
Agreements without COLA	10	8.5	32	104.8	45	92.8
Agreements with COLA	2	1.1	-	-	3	2.2
All Agreements	12	9.6	32	104.8	48	95.0
Transportation, Communication and Other Utilities						
Agreements without COLA	62	131.3	27	67.6	39	80.4
Agreements with COLA	5	4.2	5	59.5	3	4.0
All Agreements	67	135.5	32	127.1	42	84.4
Trade, Finance, Insurance and Real Estate						
Agreements without COLA	16	30.8	29	56.2	16	25.0
Agreements with COLA	1	9.4	4	18.7	1	0.8
All Agreements	17	40.2	33	74.9	17	25.8
Community, Business and Personal Services						
Agreements without COLA	139	347.8	165	229.4	148	373.8
Agreements with COLA	2	1.1	2	3.4	3	1.7
All Agreements	141	348.9	167	232.9	151	375.5
Public Administration						
Agreements without COLA	46	148.2	47	72.9	62	248.6
Agreements with COLA	2	5.5	-	-	-	-
All Agreements	48	153.7	47	72.9	62	248.6

Table B-2 (continued)

Number of Agreements and Employees Covered, by Major Industry Division, with and without COLA, by Year and Quarter

	1998		1999					
	4		1		2		3	
	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees
		(000's)		(000's)		(000's)		(000's)
All Industries								
Agreements without COLA	95	237.4	101	242.3	102	224.7	53	147.0
Agreements with COLA	6	5.7	4	3.1	15	36.7	10	21.3
All Agreements	101	243.1	105	245.3	117	261.4	63	168.4
Primary Industry								
Agreements without COLA	1	1.1	-	-	2	1.5	2	1.4
Agreements with COLA	-	-	-	-	1	1.4	2	1.4
All Agreements	1	1.1	-	-	3	2.9	4	2.8
Manufacturing								
Agreements without COLA	12	12.4	11	8.2	19	12.7	9	9.1
Agreements with COLA	4	4.5	2	1.5	9	12.8	5	17.7
All Agreements	16	17.0	13	9.7	28	25.5	14	26.8
Construction								
Agreements without COLA	9	10.5	10	29.5	7	6.7	4	61.7
Agreements with COLA	1	0.6	-	-	-	-	-	-
All Agreements	10	11.1	10	29.5	7	6.7	4	61.7
Transportation, Communication and Other Utilities								
Agreements without COLA	3	3.5	11	30.4	11	18.6	9	27.1
Agreements with COLA	1	0.5	2	1.6	3	16.7	3	2.2
All Agreements	4	4.1	13	32.0	14	35.2	12	29.3
Trade, Finance, Insurance and Real Estate								
Agreements without COLA	3	6.1	2	1.5	5	6.1	2	1.9
Agreements with COLA	-	-	-	-	1	5.2	-	-
All Agreements	3	6.1	2	1.5	6	11.3	2	1.9
Community, Business and Personal Services								
Agreements without COLA	51	89.7	47	104.8	49	138.8	21	35.3
Agreements with COLA	-	-	-	-	-	-	-	-
All Agreements	51	89.7	47	104.8	49	136.8	21	35.3
Public Administration								
Agreements without COLA	16	114.0	20	67.9	9	40.4	6	10.5
Agreements with COLA	-	-	-	-	1	0.7	-	-
All Agreements	16	114.0	20	67.9	10	41.1	6	10.5

Table B-3

Effective Wage Adjustment in Base Rates, by Major Industry Division, by Duration of Agreement, with and without COLA, Third Quarter 1999

	17 Months or Less			18-29 Months		
	Number of Agreements	Number of Employees	Average Annual Adjustment	Number of Agreements	Number of Employees	Average Annual Adjustment
		(000's)	(%)		(000's)	(%)
All Industries						
Agreements without COLA	2	1.7	2.9	7	11.6	2.7
Agreements with COLA	-	-	-	-	-	-
All Agreements	2	1.7	2.9	7	11.6	2.7
Primary Industry						
Agreements without COLA	-	-	-	-	-	-
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	-	-	-
Manufacturing						
Agreements without COLA	-	-	-	3	4.0	1.6
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	3	4.0	1.6
Construction						
Agreements without COLA	-	-	-	1	1.2	3.8
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	1	1.2	3.8
Transportation, Communication and Other Utilities						
Agreements without COLA	-	-	-	-	-	-
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	-	-	-
Trade, Finance, Insurance and Real Estate						
Agreements without COLA	-	-	-	-	-	-
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	-	-	-
Community, Business and Personal Services						
Agreements without COLA	2	1.7	2.9	3	6.4	3.1
Agreements with COLA	-	-	-	-	-	-
All Agreements	2	1.7	2.9	3	6.4	3.1
Public Administration						
Agreements without COLA	-	-	-	-	-	-
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	-	-	-

Table B-3 (continued)

Effective Wage Adjustment in Base Rates, by Major Industry Division, by Duration of Agreement, with and without COLA, Third Quarter 1999

	30-41 Months			42 Months or More		
	Number of Agreements	Number of Employees	Average Annual Adjustment	Number of Agreements	Number of Employees	Average Annual Adjustment
		(000's)	(%)		(000's)	(%)
All Industries						
Agreements without COLA	27	113.1	2.1	17	20.7	1.7
Agreements with COLA	9	20.8	3.9	1	0.5	2.0
All Agreements	36	133.9	2.4	18	21.2	1.7
Primary Industry						
Agreements without COLA	-	-	-	2	1.4	0.9
Agreements with COLA	2	1.4	2.3	-	-	-
All Agreements	2	1.4	2.3	2	1.4	0.9
Manufacturing						
Agreements without COLA	2	2.3	2.8	4	2.8	2.0
Agreements with COLA	5	17.7	4.0	-	-	-
All Agreements	7	20.0	3.8	4	2.8	2.0
Construction						
Agreements without COLA	3	60.5	1.3	-	-	-
Agreements with COLA	-	-	-	-	-	-
All Agreements	3	60.5	1.3	-	-	-
Transportation, Communication and Other Utilities						
Agreements without COLA	7	22.1	3.6	2	5.0	2.0
Agreements with COLA	2	1.7	4.2	1	0.5	2.0
All Agreements	9	23.8	3.7	3	5.5	2.0
Trade, Finance, Insurance and Real Estate						
Agreements without COLA	1	0.9	2.0	1	1.1	1.9
Agreements with COLA	-	-	-	-	-	-
All Agreements	1	0.9	2.0	1	1.1	1.9
Community, Business and Personal Services						
Agreements without COLA	10	18.1	2.8	6	9.2	1.6
Agreements with COLA	-	-	-	-	-	-
All Agreements	10	18.1	2.8	6	9.2	1.6
Public Administration						
Agreements without COLA	4	9.2	2.3	2	1.3	1.4
Agreements with COLA	-	-	-	-	-	-
All Agreements	4	9.2	2.3	2	1.3	1.4

Table B-4

Effective Wage Adjustment in Base Rates, by Major Industry Division, with and without COLA, Third Quarter 1999

	Number of Agreements	Number of Employees	Average Annual Adjustment	First 12 Months	Average Agreement Duration
		(000's)	(%)	(%)	(Months)
All Industries					
Agreements without COLA	53	147.0	2.1	1.6	37.2
Agreements with COLA	10	21.3	3.8	3.3	36.5
All Agreements	63	168.4	2.3	1.8	37.1
Primary Industry					
Agreements without COLA	2	1.4	0.9	1.2	60.0
Agreements with COLA	2	1.4	2.3	2.2	37.1
All Agreements	4	2.8	1.6	1.7	48.6
Manufacturing					
Agreements without COLA	9	9.1	2.0	1.8	39.9
Agreements with COLA	5	17.7	4.0	3.3	36.0
All Agreements	14	26.8	3.3	2.8	37.3
Construction					
Agreements without COLA	4	61.7	1.4	0.1	35.8
Agreements with COLA	-	-	-	-	-
All Agreements	4	61.7	1.4	0.1	35.8
Transportation, Communication and Other Utilities					
Agreements without COLA	9	27.1	3.3	3.8	38.3
Agreements with COLA	3	2.2	3.6	3.9	40.4
All Agreements	12	29.3	3.4	3.8	38.5
Trade, Finance, Insurance and Real Estate					
Agreements without COLA	2	1.9	1.9	2.3	43.2
Agreements with COLA	-	-	-	-	-
All Agreements	2	1.9	1.9	2.3	43.2
Community, Business and Personal Services					
Agreements without COLA	21	35.3	2.5	2.6	36.6
Agreements with COLA	-	-	-	-	-
All Agreements	21	35.3	2.5	2.6	36.6
Public Administration					
Agreements without COLA	6	10.5	2.2	1.8	38.3
Agreements with COLA	-	-	-	-	-
All Agreements	6	10.5	2.2	1.8	38.3

Table C-1

Effective Wage Adjustment in Base Rates, by Region/Jurisdiction, by Year and Quarter

	1996	1997	1998	1998	1999		
				4	1	2	3
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
All Sectors							
CANADA	0.9	1.5	1.6	1.7	1.5	2.4	2.3
Atlantic	1.7	1.3	1.9	1.8	2.3	1.6	2.4
Newfoundland	2.0	1.7	1.3	-	1.5	1.6	2.2
Prince Edward Island	1.7	-	2.1	2.1	2.8	2.3	-
Nova Scotia	1.7	2.0	2.5	1.8	4.5	-	1.5
New Brunswick	1.7	1.0	1.5	1.7	-	1.6	3.6
Quebec	1.7	1.3	0.9	1.7	1.3	1.4	1.5
Ontario	0.9	1.1	1.6	0.8	1.4	1.6	3.3
Prairies	0.7	2.0	2.4	2.3	3.2	3.1	3.0
Manitoba	0.2	1.1	1.4	1.3	1.5	2.8	2.1
Saskatchewan	1.1	0.9	1.8	2.0	2.6	1.7	3.5
Alberta	1.1	2.4	3.0	2.9	4.3	4.3	3.3
British Columbia	0.6	1.4	0.7	0.9	0.7	0.5	1.3
More than One Province	2.3	3.0	1.7	-	1.8	3.7	-
Federal	0.5	1.8	2.1	2.2	2.0	3.1	3.4
Public Sector							
CANADA	0.5	1.2	1.6	1.7	1.3	2.4	2.4
Atlantic	1.4	1.4	1.9	1.8	2.5	1.3	1.8
Newfoundland	0.6	2.1	1.3	-	1.4	1.3	-
Prince Edward Island	1.7	-	2.1	2.1	2.8	-	-
Nova Scotia	-	1.8	2.6	2.0	4.5	-	1.3
New Brunswick	1.5	1.3	1.5	1.5	-	-	3.2
Quebec	1.4	1.3	0.8	0.4	1.9	1.1	1.1
Ontario	0.3	0.6	1.3	0.7	1.2	1.4	2.4
Prairies	0.5	1.7	2.2	2.3	2.4	3.1	2.9
Manitoba	0.0	1.0	1.2	1.3	1.5	2.8	1.8
Saskatchewan	0.9	0.9	1.8	2.0	2.6	1.8	3.5
Alberta	0.8	2.2	2.6	2.8	2.7	4.2	3.3
British Columbia	0.6	0.9	0.7	0.7	0.7	0.4	0.7
More than One Province	-	-	-	-	-	-	-
Federal	0.1	1.6	2.2	2.2	2.0	3.2	1.8
Private Sector							
CANADA	1.7	1.8	1.8	1.9	2.2	2.4	2.3
Atlantic	2.1	1.2	1.8	1.9	1.8	2.0	2.9
Newfoundland	2.6	1.7	1.8	-	1.8	2.3	2.2
Prince Edward Island	-	-	-	-	-	2.3	-
Nova Scotia	1.7	2.1	1.8	1.6	-	-	1.8
New Brunswick	2.0	0.4	1.6	2.7	-	1.6	3.8
Quebec	2.1	1.3	0.9	1.9	1.2	1.7	1.5
Ontario	2.2	1.9	2.0	1.9	2.2	1.9	3.9
Prairies	2.1	2.5	3.2	2.2	6.1	3.3	4.0
Manitoba	2.0	1.8	1.6	1.3	-	2.6	4.0
Saskatchewan	2.0	1.1	1.1	-	-	0.9	-
Alberta	2.2	2.6	4.6	3.2	6.1	4.9	-
British Columbia	0.9	1.6	1.5	1.4	2.0	1.2	1.3
More than One Province	2.3	3.0	1.7	-	1.8	3.7	-
Federal	0.7	2.0	1.7	1.8	1.9	2.7	3.8

Table C-2

Number of Agreements and Employees Covered, by Region/Jurisdiction, by Year and Quarter

	1996		1997		1998	
	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees
		(000's)		(000's)		(000's)
All Sectors						
CANADA	377	809.8	381	695.4	395	916.1
Atlantic	32	34.2	18	20.9	42	93.4
Newfoundland	9	8.0	5	6.1	7	25.4
Prince Edward Island	6	6.9	-	-	3	3.9
Nova Scotia	8	5.6	2	1.8	18	39.0
New Brunswick	9	13.8	11	13.0	14	25.0
Quebec	57	81.1	39	92.3	52	81.7
Ontario	145	300.6	177	240.2	138	266.4
Prairies	72	114.5	80	146.0	83	134.8
Manitoba	31	53.6	21	27.9	20	22.3
Saskatchewan	17	34.9	7	16.9	12	32.3
Alberta	24	26.0	52	101.1	51	80.3
British Columbia	31	196.4	34	69.3	33	150.7
More than One Province	1	0.6	7	7.7	2	6.0
Federal	39	82.2	26	119.0	45	183.2
Public Sector						
CANADA	213	565.9	221	371.3	219	646.9
Atlantic	11	18.0	8	10.9	29	81.6
Newfoundland	3	2.4	2	1.2	6	22.9
Prince Edward Island	6	6.9	-	-	3	3.9
Nova Scotia	-	-	1	0.6	11	33.6
New Brunswick	2	8.8	5	9.0	9	21.1
Quebec	20	46.0	16	19.8	14	23.6
Ontario	90	197.0	113	139.3	76	166.7
Prairies	56	100.1	55	100.6	62	107.3
Manitoba	25	48.5	18	24.0	11	11.7
Saskatchewan	13	30.4	4	14.5	10	30.5
Alberta	18	21.2	33	62.1	41	65.1
British Columbia	24	176.6	18	25.4	15	133.7
More than One Province	-	-	-	-	-	-
Federal	12	28.2	11	75.4	23	134.1
Private Sector						
CANADA	164	243.9	160	324.1	176	269.2
Atlantic	21	16.2	10	10.1	13	11.8
Newfoundland	6	5.6	3	4.9	1	2.5
Prince Edward Island	-	-	-	-	-	-
Nova Scotia	8	5.6	1	1.2	7	5.4
New Brunswick	7	5.0	6	4.0	5	3.9
Quebec	37	35.1	23	72.6	38	58.1
Ontario	55	103.7	64	100.9	62	99.7
Prairies	16	14.4	25	45.4	21	27.5
Manitoba	6	5.0	3	4.0	9	10.5
Saskatchewan	4	4.5	3	2.4	2	1.8
Alberta	6	4.8	19	39.0	10	15.1
British Columbia	7	19.8	16	43.9	18	17.0
More than One Province	1	0.6	7	7.7	2	6.0
Federal	27	54.1	15	43.6	22	49.1

Table C-2 (continued)

Number of Agreements and Employees Covered, by Region/Jurisdiction, by Year and Quarter

	1998		1999					
	4		1		2		3	
	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees
		(000's)		(000's)		(000's)		(000's)
All Sectors								
CANADA	101	243.1	105	245.3	117	261.4	63	168.4
Atlantic	9	10.2	5	3.3	8	10.2	6	4.5
Newfoundland	-	-	3	2.1	4	7.1	1	0.6
Prince Edward Island	2	2.5	1	0.6	1	0.7	-	-
Nova Scotia	4	3.8	1	0.6	-	-	3	2.2
New Brunswick	3	3.9	-	-	3	2.5	2	1.8
Quebec	13	15.9	11	18.2	5	4.3	15	70.6
Ontario	45	72.6	57	120.6	53	92.0	14	29.6
Prairies	18	27.1	17	20.5	28	87.4	8	22.3
Manitoba	6	10.1	4	4.0	6	23.6	4	8.0
Saskatchewan	1	1.2	5	7.2	7	26.8	1	8.4
Alberta	11	15.8	8	9.3	15	36.9	3	6.0
British Columbia	6	11.9	6	48.7	6	7.3	10	13.2
More than One Province	-	-	1	0.9	2	1.3	-	-
Federal	10	105.4	8	33.1	15	58.8	10	28.1
Public Sector								
CANADA	68	205.3	77	191.1	64	198.3	25	44.4
Atlantic	6	8.0	4	2.7	2	5.2	3	2.0
Newfoundland	-	-	2	1.4	2	5.2	-	-
Prince Edward Island	2	2.5	1	0.6	-	-	-	-
Nova Scotia	2	2.2	1	0.6	-	-	2	1.5
New Brunswick	2	3.3	-	-	-	-	1	0.6
Quebec	2	2.2	3	3.9	1	2.0	3	2.8
Ontario	38	64.7	45	100.7	31	65.6	8	12.7
Prairies	12	18.4	15	16.0	16	75.1	7	21.0
Manitoba	4	5.5	4	4.0	5	22.9	3	6.6
Saskatchewan	1	1.2	5	7.2	3	22.4	1	8.4
Alberta	7	11.7	6	4.8	8	29.7	3	6.0
British Columbia	3	9.2	5	48.2	4	6.2	1	0.6
More than One Province	-	-	-	-	-	-	-	-
Federal	7	102.8	5	19.7	10	44.4	3	5.3
Private Sector								
CANADA	33	37.8	28	54.2	53	63.1	38	124.0
Atlantic	3	2.2	1	0.6	6	5.1	3	2.5
Newfoundland	-	-	1	0.6	2	1.9	1	0.6
Prince Edward Island	-	-	-	-	1	0.7	-	-
Nova Scotia	2	1.6	-	-	-	-	1	0.7
New Brunswick	1	0.6	-	-	3	2.5	1	1.2
Quebec	11	13.7	8	14.3	4	2.4	12	67.9
Ontario	7	7.9	12	20.0	22	26.4	6	17.0
Prairies	6	8.7	2	4.5	12	12.3	1	1.4
Manitoba	2	4.6	-	-	1	0.7	1	1.4
Saskatchewan	-	-	-	-	4	4.4	-	-
Alberta	4	4.1	2	4.5	7	7.2	-	-
British Columbia	3	2.8	1	0.6	2	1.2	9	12.6
More than One Province	-	-	1	0.9	2	1.3	-	-
Federal	3	2.6	3	13.4	5	14.5	7	22.8

Table D

Major Wage Settlements, by Public and Private Sectors, by Year and Quarter

	Public Sector				Private Sector				All Sectors			
	Agmts.	Dur.	Empls.	Avg. Adj.	Agmts.	Dur.	Empls.	Avg. Adj.	Agmts.	Dur.	Empls.	Avg. Adj.
		(Months)	(000's)	(%)		(Months)	(000's)	(%)		(Months)	(000's)	(%)
Year												
1979	317	24.3	756.0	9.5	252	27.2	387.0	11.1	569	25.3	1,142.9	10.0
1980	325	26.0	919.4	10.9	233	27.5	298.8	11.7	558	26.3	1,218.2	11.1
1981	290	18.9	577.6	13.1	210	27.3	323.4	12.6	500	21.9	901.0	13.0
1982	319	14.6	865.1	10.4	189	25.2	282.2	9.5	508	17.2	1,147.3	10.2
1983	458	19.6	1,241.6	4.6	200	25.0	302.8	5.5	658	20.6	1,544.3	4.8
1984	277	17.0	637.4	3.9	282	26.1	518.8	3.2	559	21.1	1,156.2	3.6
1985	316	21.7	566.8	3.8	200	30.1	271.8	3.3	516	24.5	838.6	3.7
1986	322	25.4	711.2	3.6	231	26.0	410.2	3.0	553	25.6	1,121.5	3.4
1987	270	29.4	824.3	4.1	208	31.4	287.0	3.8	478	29.9	1,111.3	4.0
1988	301	24.0	698.6	4.0	241	27.2	484.1	5.0	542	25.3	1,182.7	4.4
1989	295	30.0	737.6	5.2	158	28.5	264.2	5.2	453	29.6	1,001.8	5.2
1990	283	27.4	677.8	5.6	224	29.7	468.5	5.7	507	28.4	1,146.4	5.6
1991	365	16.0	1,121.7	3.4	182	29.2	224.0	4.4	547	18.2	1,345.6	3.6
1992	302	21.7	977.3	2.0	194	32.2	329.5	2.5	496	24.3	1,306.8	2.1
1993	347	23.4	1,012.0	0.6	171	25.2	400.5	0.8	518	23.9	1,412.5	0.7
1994	299	26.5	719.8	0.0	135	34.5	222.8	1.2	434	28.4	942.6	0.3
1995	216	31.5	630.9	0.6	186	35.8	277.9	1.4	402	32.8	908.8	0.9
1996	213	31.6	565.9	0.5	164	34.9	243.9	1.7	377	32.6	809.8	0.9
1997	221	30.2	371.3	1.2	160	38.0	324.1	1.8	381	33.8	695.4	1.5
1998	219	31.0	646.9	1.6	176	34.3	269.2	1.8	395	32.0	916.1	1.6
1999*	166	35.5	433.7	1.9	119	38.6	241.3	2.3	285	36.6	675.0	2.1

* Year to Date

		Public Sector				Private Sector				All Sectors			
Quarter		Agmts.	Dur.	Empls.	Avg. Adj.	Agmts.	Dur.	Empls.	Avg. Adj.	Agmts.	Dur.	Empls.	Avg. Adj.
1996	**I**	51	43.6	120.5	0.2	32	33.4	46.3	1.3	83	40.8	166.8	0.5
	II	75	27.6	287.9	0.6	48	37.5	46.6	1.6	123	29.0	334.5	0.7
	III	48	28.7	81.4	0.5	49	29.0	64.9	1.8	97	28.8	146.3	1.1
	IV	39	30.9	76.2	0.8	35	38.8	86.0	2.0	74	35.1	162.2	1.5
1997	**I**	53	29.7	89.1	1.0	30	35.8	40.4	2.2	83	31.6	129.5	1.3
	II	72	26.1	98.8	0.8	60	34.5	147.1	1.9	132	31.1	246.0	1.4
	III	34	31.0	44.6	0.9	41	38.2	90.7	1.5	75	35.8	135.2	1.3
	IV	62	33.1	138.8	1.7	29	50.8	45.9	1.8	91	37.5	184.7	1.7
1998	**I**	45	36.5	97.9	1.8	23	33.6	38.3	2.3	68	35.7	136.1	2.0
	II	55	31.7	157.9	1.7	70	27.9	110.7	1.6	125	30.2	268.6	1.7
	III	51	33.2	185.9	1.2	50	40.9	82.5	1.7	101	35.5	268.3	1.4
	IV	68	25.9	205.3	1.7	33	39.5	37.8	1.9	101	28.0	243.1	1.7
1999	**I**	77	32.5	191.1	1.3	28	38.9	54.2	2.2	105	33.9	245.3	1.5
	II	64	38.0	198.3	2.4	53	41.4	63.1	2.4	117	38.8	261.4	2.4
	III	25	37.1	44.4	2.4	38	37.1	124.0	2.3	63	37.1	168.4	2.3

Agmts. - Number of Agreements
Avg. Adj. - Average Annual Adjustment
Dur. - Average Agreement Duration
Empls. - Number of Employees

Table E

Selected Economic Indicators, by Year and Quarter

	1996	1997	1998	1998	1999		
				4	1	2	3
Wage Settlements (%)	0.9	1.5	1.6	1.7	1.5	2.4	2.3
Public Sector (%)	0.5	1.2	1.6	1.7	1.3	2.4	2.4
Private Sector (%)	1.7	1.8	1.8	1.9	2.2	2.4	2.3
Agreements in Force (%)	0.9	1.2	1.6	1.8	1.7	1.6	1.4
Public Sector (%)	0.6	0.9	1.3	1.5	1.3	1.2	1.1
Private Sector (%)	1.4	1.8	2.3	2.5	2.4	2.2	1.9
Consumer Price Index							
Per Cent Change[1]	1.6	1.6	0.9	1.1	0.8	1.6	2.2
GDP[2] at Factor Cost[3]							
Per Cent Change[1]	1.5	4.1	2.9	2.5	3.1	3.5	4.3
Labour Productivity (%)	0.5	2.0	1.2	0.2	-0.1	0.4	0.5
Unit Labour Cost (%)	-0.9	1.0	1.5	1.4	-0.5	-1.2	-2.0
Unemployment Rate[3] (%)	9.7	9.2	8.3	8.0	7.8	8.0	7.7
Employment (000's)[3]	13,676	13,941	14,326	14,517	14,650	14,642	14,496
Per Cent Change[1]	1.3	1.9	2.8	3.2	3.3	2.6	2.5
Average Weekly Earnings[3]	$586.06	$598.26	$606.31	$607.96	$606.07	$608.67	$612.30
Per Cent Change[1]	2.1	2.1	1.3	1.2	-0.2	0.4	1.1
Average Hourly Earnings	$14.71	$14.87	$15.12	$15.20	$15.39	$15.24	$15.19
Per Cent Change[1]	2.4	1.1	1.7	1.5	1.9	0.2	1.5

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[1] Per cent change from the same period of the previous year.

[2] GDP - Gross domestic product at factor cost (1992) prices.

[3] Seasonally adjusted data.

Source: Workplace Information Directorate and Statistics Canada

TECHNICAL NOTES

The information in this report is produced from collective agreement settlements in Canada which cover 500 or more employees in all industries. A few settlements are excluded where the basis of payment is on a piece/mileage rate basis.

The construction industry is excluded prior to 1983.

The Base Rate

The base rate is the lowest paid classification used for qualified workers in the bargaining unit. In most instances, the base rate is the rate of pay for an unskilled or semi-skilled classification of workers. However, this is not the case in contracts covering only skilled workers and professional employees.

As only the base rate in a contract is used, the resulting data on percentage change do not necessarily reflect the average wage change for all workers in the bargaining unit. For example, where an across-the-board increase is negotiated for all classifications in cents per hour (or other money terms), measurement on the base rate produces higher results than measurement on any higher rate, including the average rate. Where varying percentage or money increases are negotiated for different classifications, measurement on the base rate may produce results that are higher or lower than measurement on the average rate. Where an across-the-board increase is negotiated for all classifications in percentage terms, measurement on the base rate produces results identical to measurement on any other rate, including the average rate. It should be noted that information on the average rate for all employees in a bargaining unit is not available.

Effective Wage Increase

The effective wage increase is the increase in rates of pay including estimated cost-of-living allowance (COLA) payments. Estimates of the yield of COLA clauses are obtained by quantifying the characteristics of these clauses in each agreement and applying a combination of actual Consumer Price Index (CPI) increases available to date plus a specified projected inflation rate for the remainder of the contract duration. In succeeding quarters, these estimates are revised using actual CPI values as they become available.

In the current report, an inflation projection of 2 per cent has been used when the actual rate is unknown. This figure is based on a rounded average of inflation forecasts and is intended for illustrative purposes only and does not constitute an official forecast by Human Resources Development Canada. The use of different inflation rate scenarios could result in varying settlement increases. The inflation projection used will be revised periodically to reflect prevailing economic conditions.

By including reasonable estimates of future payments under COLA clauses, the effective wage increase concept facilitates an accurate comparison of agreements with and without COLA and permits the aggregation of all agreements to yield an improved measure of wage settlements.

Public and Private Sectors

The principal unit of observation is the collective bargaining unit; however, the designation for inclusion in the public sector is by reference to characteristics of the employer with whom a bargaining unit negotiates. Reference to the employer characteristics makes the directives consistent with Statistics Canada's use of "institutional units" or "entities".

While the criteria relate to the classification of the public sector only, *the private sector is defined by exclusion.*

Public sector bargaining units negotiate wages or other working conditions with an employer who is part of, or an agent of, a government or a government business enterprise. The distinction between the two is whether the activity engaged in is "non-commercial" (Government) or "commercial" (Government Business Enterprise).

Government (Non-Commercial)

The government component comprises all non-commercial entities controlled by governments and mainly financed out of general taxation or other public funds. These entities provide goods and/or services free or at non-market prices (not having a view to profit).

Sub-sectors of the government component are identified below:

(1) Federal Government

Collective bargaining in the Federal Government component is conducted under the *Public Service Staff Relations Act* (Parts 1 and 2), and the *Parliamentary Employment and Staff Relations Act.*

(2) Provincial and Territorial Governments

(a) provincial and territorial government administration;

(b) health, education and social services agencies or institutions:
  (i) public hospitals,
  (ii) provincial residential care facilities,
  (iii) universities,
  (iv) colleges, vocational and trade institutions,
  (v) social services business enterprise,
  (vi) provincial elementary and secondary schools.

(3) Local Government Administration

(a) local government organizations such as: municipalities, boards, commissions;

(b) school boards;

(c) social services: establishments at the local level primarily engaged in providing basic domiciliary care only, such as homes for the aged, blind or senile, boarding houses for the aged, day nurseries, shelters, etc.

Government Business Enterprise (Commercial)

The commercial component of the public sector is divided into three broad sub-groupings, based on degree of governmental control, as follows:

(1) Direct Control

A commercial enterprise is directly controlled by a government if one of the following conditions is met:

(a) a government holds more than 50 per cent of its voting equity, directly;

(b) a government has irrevocable options or the right to acquire shares, or convertible debt or equity, exercisable at the discretion of that government.

(2) Effective Control

A commercial enterprise is effectively controlled by a government if one of the following conditions is met:

(a) the government holds a significant voting ownership in a public enterprise, where "significant" is understood as:
  (i) the holding is the largest block of voting equity; and
  (ii) the holding exceeds 33.3 per cent of the voting equity; and
  (iii) the block is larger than the combined percentage of the next two largest blocks;

(b) the commercial enterprise declares that it is effectively controlled by a government;

(c) there exists a method or variety of methods (e.g. significant voting ownership of the enterprise, technological agreements, supply controls or contracts, management contracts, interlocking directorships, etc.)

(3) Indirect Control

A business enterprise is indirectly controlled by a government if that government directly or effectively controls a government business enterprise, which in turn directly or effectively controls that enterprise.

SECTION 2

EXPIRIES AND REOPENERS OF MAJOR COLLECTIVE AGREEMENTS IN JANUARY, FEBRUARY AND MARCH 2000

Note: Reopeners listed may be negotiated for wage provisions[1] and/or other provisions[2]

The full 1999 Calendar of Major Collective Agreement Expiries and Reopeners is available on the Workplace Information Directorate Web Site at: http://labour-travail.hrdc-drhc.gc.ca/doc/wid-dimt/eng/expreo.cfm

Company and Location	Union and Occupation	Number of Employees	Industry
	JANUARY 2000		
QUEBEC			
[1] Alcan Smelters and Chemicals Ltd., Shawinigan	Fédération de la Métallurgie (CNTU) (hourly rated employees)	500	Manufacturing
[1] Alcan Smelters and Chemicals Ltd., Jonquière	Fédération des syndicats du secteur aluminium inc. (Ind.) (hourly rated employees)	2,450	Manufacturing
Société de transport de la Communauté urbaine de Montréal, Montréal	Cdn. Union of Public Employees (CLC) (bus drivers)	3,760	Transportation
Société de transport de la Communauté urbaine de Montréal, Montréal	Cdn. Union of Public Employees (CLC) (office and clerical employees)	650	Transportation
Société de transport de la Communauté urbaine de Montréal, Montréal	Fédération des employées et employés de services publics inc. (CNTU) (mechanics, service and maintenance employees)	2,010	Transportation
[1] Université de Sherbrooke, Sherbrooke	Syndicat des chargées et chargés de cours de l'Université de Sherbrooke (CEQ) (instructors, tutors and lecturers)	1,600	Services
Université du Québec à Montréal, Montréal	Fédération nationale des enseignantes et des enseignants du Québec (CNTU) (instructors, tutors and lecturers)	1,500	Services

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Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
ONTARIO			
DuPont Canada Inc., Kingston	Kingston Independant Nylon Workers Union (Ind.) (plant and maintenance employees)	1,100	Manufacturing
Great Atlantic and Pacific Company of Canada Limited (Food Basics), province-wide	United Food and Commercial Workers Intl. Union (AFL-CIO/CLC) (retail employees)	2,200	Trade
Hershey Canada Inc., Smiths Falls	United Steelworkers of America (AFL-CIO/CLC) (plant and maintenance employees)	500	Manufacturing
Kaufman Footwear (Division of William H. Kaufman Inc.), Waterloo	United Steelworkers of America (AFL-CIO/CLC) (plant, maintenance, and warehouse employees)	1,200	Manufacturing
Lakehead Terminal Elevators Association, Thunder Bay	Transportation-Communications Intl. Union (AFL-CIO/CLC) (grain elevator employees)	700	Other Utilities
MANITOBA			
City of Winnipeg, Winnipeg	Amalgamated Transit Union (AFL-CIO/CLC) (bus drivers, service and maintenance employees)	1,200	Transportation
SASKATCHEWAN			
Saskatchewan Wheat Pool, province-wide	Grain Services Union (CLC) (grain elevator employees)	1,300	Other Utilities
ALBERTA			
City of Edmonton, Edmonton	Edmonton Police Assn. (Ind.) (police officers)	1,110	Public Administration
BRITISH COLUMBIA			
White Spot Limited, Vancouver	Natl. Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) (CLC) (hotel or restaurant employees)	1,100	Services

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Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
FEBRUARY 2000			
NEW BRUNSWICK			
Island Fishermen's Co-operative Association Ltd., Lameque	Natl. Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) (CLC) (plant and maintenance employees)	500	Manufacturing
Noranda Mining and Exploration Inc. (Brunswick Mining Division), Gloucester County and Dalhousie	United Steelworkers of America (AFL-CIO/CLC) (mine employees)	815	Primary
QUEBEC			
C.S. Brooks Canada Inc., Magog	Syndicat catholique des ouvriers du textile de Magog (Ind.) (production employees)	760	Manufacturing
Denim Swift (a subsidiary of Dominion Textile Inc.), Drummondville	Drummondville Textile-Cotton Workers Union Inc. (Ind.) (production employees)	740	Manufacturing
Northern Telecom Canada Limited (Nortel), Montréal	Cdn. Union of Communication Workers (Ind.) (hourly rated employees)	1,300	Manufacturing
[1] Provigo Distributing Inc., St-Laurent, Boucherville and Pointe-Claire	United Food and Commercial Workers Intl. Union (AFL-CIO/CLC) (grocery distribution centre employees)	500	Trade
[1] Sidbec-Dosco (ISPAT) inc., Contrecoeur	United Steelworkers of America (AFL-CIO/CLC) (production employees)	1,320	Manufacturing
ONTARIO			
Co-Steel Lasco, Whitby	United Steelworkers of America (AFL-CIO/CLC) (production employees)	510	Manufacturing
Communications Security Establishment . Department of National Defence, Ottawa	Public Service Alliance of Canada (CLC) (administrative services employees and foreign service officers)	550	Public Administration
Northern Telecom Canada Limited (Nortel), Brampton and Belleville	Natl. Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) (CLC) (office, clerical and technical employees)	510	Manufacturing

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Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
ONTARIO (suite)			
Northern Telecom Canada Limited (Nortel), Brampton and Belleville	Natl. Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) (CLC) (plant and maintenance employees)	940	Manufacturing
Walker Exhausts (Division of Tenneco Canada Inc.), Cambridge	United Steelworkers of America (AFL-CIO/CLC) (plant and maintenance employees)	550	Manufacturing
BRITISH COLUMBIA			
Greater Vancouver Hotel Employers' Association, Vancouver and Richmond	Hotel Employees and Restaurant Employees Intl. Union (AFL-CIO/CLC) (service, maintenance, hotel or restaurant employees)	2,000	Services
MORE THAN ONE PROVINCE			
National Research Council of Canada, Canada-wide	Research Council Employees' Assn. (Ind.) (technical employees)	900	Services
United Parcel Service Canada Ltd., Canada-wide	Intl. Brotherhood of Teamsters (AFL-CIO/CLC) (truck drivers and mechanics)	2,930	Services
MARCH 2000			
NOVA SCOTIA			
Government of Nova Scotia, province-wide	Nova Scotia Government Employees Union (CLC) (administrative services employees)	5,700	Public Administration
Nova Scotia Liquor Commission, Halifax	Nova Scotia Government Employees Union (CLC) (retail employees)	600	Trade
QUEBEC			
Association de l'industrie du verre plat et du fenêtrage du Québec, Montréal	Intl. Brotherhood of Painters and Allied Trades (AFL-CIO/CLC) (plant and maintenance employees)	2,300	Manufacturing

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Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
QUEBEC (suite)			
Camoplast Inc. (Division Roski), Roxton Falls	Association des employés de Camoplast (Divison Roski) (Ind.) (production employees)	500	Manufacturing
ONTARIO			
Accuride Canada Inc., London	Natl. Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) (CLC) (plant and maintenance employees)	690	Manufacturing
Boeing Canada Technology Ltd., Arnprior	Intl. Assn. of Machinists and Aerospace Workers (AFL-CIO/CLC) (production employees)	630	Manufacturing
Enbridge Consumers' Gas Company Ltd., province-wide	Communications, Energy and Paperworkers Union of Canada (CLC) (utility workers)	1,560	Other Utilities
Lear Corporation, Oakville	Natl. Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) (CLC) (plant and maintenance employees)	560	Manufacturing
Liquor Control Board of Ontario, province-wide	Ontario Liquor Board Employees' Union (CLC) (office, clerical, warehouse and retail employees)	4,400	Trade
Ontario Housing Corporation, Metropolitan Toronto	Cdn. Union of Public Employees (CLC) (service and maintenance employees)	500	Public Administration
Ontario Hydro, province-wide	Cdn. Union of Public Employees (CLC) (office, clerical and technical employees and general tradesmen (non-construction))	14,000	Other Utilities
1 Ontario Sheet Metal and Air Handling Group, province-wide	Sheet Metal Workers Intl. Assn. (AFL-CIO/CLC) (sheet metal workers)	5,000	Construction
S.W.O. Distribution Centres Ltd., Trading as Surelink, Toronto and Mississauga	Intl. Brotherhood of Teamsters (AFL-CIO/CLC) (warehouse employees and truck drivers)	700	Trade

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Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
ONTARIO (suite)			
Teaching Hospitals' Committee, province-wide	Professional Assn. of Internes and Residents of Ontario (Ind.) (health and social care professionals)	2,250	Services
MANITOBA			
Government of Manitoba, province-wide	Manitoba Government Employees' Union (CLC) (administrative services employees)	1,220	Public Administration
Government of Manitoba, province-wide	Manitoba Government Employees' Union (CLC) (all categories)	13,520	Public Administration
Government of Manitoba, province-wide	Manitoba Government Employees' Union (CLC) (correctional officers)	980	Public Administration
Government of Manitoba, province-wide	Manitoba Government Employees' Union (CLC) (general tradesmen (non-construction) and general services employees)	2,280	Public Administration
Government of Manitoba, province-wide	Manitoba Government Employees' Union (CLC) (health and social care professionals)	1,470	Services
Government of Manitoba, province-wide	Manitoba Government Employees' Union (CLC) (office and clerical employees)	3,120	Public Administration
Government of Manitoba, province-wide	Manitoba Government Employees' Union (CLC) (scientific and other professionals)	960	Public Administration
Government of Manitoba, province-wide	Manitoba Government Employees' Union (CLC) (scientific and other professionals)	1,270	Public Administration
Government of Manitoba, province-wide	Manitoba Government Employees' Union (CLC) (social science employees)	2,220	Public Administration
Manitoba Hydro, province-wide	Cdn. Union of Public Employees (CLC) (office, clerical and technical employees)	750	Other Utilities

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Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
MANITOBA (suite)			
Manitoba Liquor Control Commission, province-wide	Manitoba Government Employees' Union (CLC) (administrative services, warehouse and retail employees)	700	Trade
Manitoba Lotteries Corporation, Winnipeg	Manitoba Government Employees' Union (CLC) (casino employees)	1,030	Services
ALBERTA			
Capital Health Authority (Royal Alexandra Hospital), Edmonton	Cdn. Union of Public Employees (CLC) (non-medical employees)	1,250	Services
Capital Health Authority (University of Alberta Hospital), Edmonton	Alberta Union of Provincial Employees (CLC) (non-medical employees)	1,660	Services
Capital Health Authority and Caritas Health Group, Edmonton and St. Albert	Cdn. Health Care Guild (Ind.) (nursing assistants)	960	Services
Capital Health Authority and Caritas Health Group, Edmonton and Area	Health Sciences Assn. of Alberta (Ind.) (para-medical professional employees)	910	Services
Capital Health Authority and Caritas Health Group, Edmonton and Area	Health Sciences Assn. of Alberta (Ind.) (para-medical technical employees)	1,280	Services
Caritas Health Group (Grey Nuns Hospital and Edmonton General Hospital), Edmonton	Cdn. Union of Public Employees (CLC) (non-medical employees)	690	Services
Provincial Health Authorities of Alberta, province-wide (excl. Edmonton)	Cdn. Health Care Guild (Ind.) (nursing assistants)	5,800	Services
Provincial Health Authorities of Alberta, province-wide (excl. Edmonton)	Health Sciences Assn. of Alberta (Ind.) (para-medical technical employees)	2,640	Services
Provincial Health Authorities of Alberta, province-wide (excl. Edmonton)	Health Sciences Assn. of Alberta (Ind.) (para-medical professional employees)	770	Services

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Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
ALBERTA (suite)			
University of Alberta, Edmonton	University of Alberta Non-Academic Staff Assn. (Ind.) (office, clerical, technical, service and maintenance employees)	2,400	Services
University of Alberta, Edmonton	University of Alberta Non-Academic Staff Assn. (Ind.) (technical employees)	840	Services
BRITISH COLUMBIA			
B.C. Gas Utility Ltd., province-wide	Office and Professional Employees Intl. Union (AFL-CIO/CLC) (office, clerical and technical employees)	660	Other Utilities
Cara Operations Limited, Richmond	Hotel Employees and Restaurant Employees Intl. Union (AFL-CIO/CLC) (hotel or restaurant employees)	610	Services
Emergency Health Services Commission, Vancouver	Cdn. Union of Public Employees (CLC) (ambulance drivers)	3,270	Other Utilities
NORTHWEST TERRITORIES			
Government of the Northwest Territories, territory-wide	Public Service Alliance of Canada (CLC) (office, clerical and technical employees)	4,000	Public Administration
MORE THAN ONE PROVINCE			
Government of Canada, Canada-wide	Cdn. Merchant Service Guild (Ind.) (ship's officers)	850	Transportation

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Services - Community, Business and Personal Services

*SELECTED PROVISIONS IN MAJOR COLLECTIVE AGREEMENTS**

Pension Plans – Age and Years of Service Requirements in Major Collective Agreements by Industry in Canada, in January 1988 and 1998

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Introduction

Over the last decade, the nature of Canada's workforce has changed considerably with an ever-increasing number of part-time workers, the self-employed, and other contingent workers. Consequently, employees have tended to be truer to their own professions than to their organization[1] and are increasingly focused on health and leisure issues as well as their own personal well-being. Employers and unions have subsequently had to adapt to these changing needs in order for these to be better addressed in collective agreements.

The following article demonstrates these developments by providing an analysis of three types of retirement formula: those based on age only, years of service only and a combination of age and years of service. To begin, an overview of the trends in all industries as a whole is provided, followed by a more detailed summary of each of the major industry sectors. The January 1988 sample is comprised of 1,108 collective agreements covering 2,400,074 workers compared to a total of 992 collective agreements in January 1998 covering 2,224,520 workers.

All Sectors

In 1988, only 19.1 per cent of workers were eligible for retirement benefits at age 65 compared to 49.2 per cent of workers in 1998. The age requirement for retirement has also considerably decreased as 40.9 per cent of workers were eligible for retirement at age 60 in January 1998 compared to 2.6 per cent of workers who could retire at the same age in January 1988.

The years of service requirement also indicates an increase in the number of workers who are eligible for retirement at an accelerated rate. In January 1988, 3.8 per cent of employees were entitled to pension benefits after 30 years of service and 0.4 per cent after 35 years, compared to 10 per cent and 11.5 per cent in January 1998. Furthermore, in 1988, 95.6 per cent of workers were not covered by this type of provision whereas in 1998, the percentage had decreased to 77.7 per cent.

Finally, with regard to the combination of age and years of service, the majority of workers in both 1988 and 1998 were eligible for retirement benefits at age 60, with however, a decreased number of years of service required in 1998. More specifically, in January 1988, the majority of employees benefiting from this type of formula were entitled to retirement benefits at age 60 and after 30 years of service whereas in January 1998, 21 per cent of workers could retire at the same age but after 20 years of service.

Major Industry Sectors

Primary Industries

Over the past ten years, there has been little change in retirement benefit provisions in the Primary industries, which is largely attributable to the notable decrease in the number of workers and collective agreements in this sector. In 1988, there were a total of 39 major collective agreements covering 43,446 workers compared to 19 collective agreements with a coverage of 22,208 employees in 1998.

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* Major collective agreements are those covering 500 or more employees.

[1] HECKSCHER, C. (1999), "Taking Transformation Seriously" in R.Hurd, H.Katz and L. Turner, *The Revival of the American Labor Movement*, Ithaca, ILR Press, 22 pages.

Manufacturing

Between 1988 and 1998, there was very little change in the number of employees and collective agreements in this sector. There has been however, a decreasing trend in both the age and years of service required to qualify for retirement benefits.

A first observation regarding the age requirement is that in 1998, 3.0 per cent of workers were eligible for retirement at age 58 while this provision did not exist in 1988. Secondly, the percentage of workers entitled to retirement benefits at age 60 increased by approximately 15 per cent, from only 3.1 per cent of employees eligible for retirement at age 60 in 1988 to 17.4 per cent of workers in 1998. A further notable change is the increase in the percentage of employees who were eligible for retirement at age 65. In 1988, 35.4 per cent of employees had this entitlement compared to 59.1 per cent in 1998.

The number of workers eligible for retirement according to the number of years of service has remained largely the same over the past decade. In 1988, however, 7.3 per cent of employees had the option of retirement after 30 years of service compared to 11.7 per cent in 1998. Only 0.8 per cent of workers could receive retirement benefits at age 58 after 20 years of service in 1988, whereas in 1998, this provision applied to 6.3 per cent of workers. Finally, retirement at age 60 with 30 years of service was available to the majority of employees in both 1988 and 1998.

Construction

The number of employees covered by major collective agreements in this sector has slightly varied over the past ten years. The percentage of employees eligible for retirement benefits at age 60 increased by approximately 10 per cent over the same period with only 0.5 per cent of workers with this entitlement in 1988 compared to 11.0 per cent of workers in 1998. The increase is even more significant with respect to retirement at the age of 65, from only 3.5 per cent of workers with this entitlement in 1988 to 53.9 per cent in 1998.

In 1988, retirement was based on age only, whereas in 1998, employees were eligible for retirement based on years of service as well. For example, in 1998, 9.4 per cent of workers could retire after 30 years of service, while 20 per cent of employees were covered by retirement provisions with a combined requirement of age and years of service.

Transportation, Communication and Other Utilities

Between 1988 and 1998, there was a notable increase in the number of employees entitled to retirement benefits at age 60, from only 5.4 per cent of workers in 1988 to 38.8 per cent in 1998. The same is true for the proportion of workers eligible for retirement at age 65. In 1988, only 7.3 per cent of employees could receive retirement benefits at age 65 while 53.9 per cent of workers had this same entitlement in 1998, an increase of approximately 47 per cent.

In 1988, there was no retirement formula requiring a specific number of years of service, whereas in 1998, approximately 36 per cent of workers were covered by this type of formula. Changes to retirement eligibility based on a combination of age and years of service have been largely centred around the formula stipulating 55 years of age and 30 years of service, with 1.4 per cent of workers with this entitlement in 1988 compared to 23.5 per cent in 1998.

Finance, Insurance and Real Estate

The two most significant developments in this sector involve retirement eligibility based on age. In 1988, only 1.6 per cent of workers could retire at age 60 while the percentage of employees with this entitlement grew to 42.7 per cent in 1998. In addition, only 7.6 per cent of employees obtained retirement benefits at age 65 compared to 44.3 per cent of workers in 1998. All other retirement formulae have remained substantially the same over the past ten years.

Community, Business and Personal Services

In this sector, the most significant changes involve retirement based on an age requirement only. In 1988, only 2.1 per cent of workers could receive retirement benefits at age 60 compared to 49.9 per cent in 1998. There has also been a notable change in the number of workers able to retire at age 65, from only 7.7 per cent of workers in 1988 to 47 per cent in 1998.

In 1998, 13.2 per cent of workers were eligible for retirement benefits after 30 years of service whereas in 1988 no such provision was available. Only 2.2 per cent of employees were eligible for retirement benefits after 35 years of service compared to 10 per cent in 1998. There has been no significant change over the past ten years in the formula combining age and years of service.

Public Administration

In the public sector, the number of workers qualifying for retirement benefits at age 60 has increased substantially by approximately 50 per cent over the past ten years. In 1988, only 3.5 per cent of workers were entitled to this provision compared to 54.8 per cent in 1998. There has been a similar increase in the number of employees qualifying for retirement at age 65, from 11.3 per cent in 1988 to 41.2 per cent in 1998.

Since 1988, a number of new types of retirement provisions have been added to collective agreements. For example, in 1998 approximately 24 per cent of workers were covered by a retirement formula based on years of service and only one provision which stipulated a combination of age and years of service, that is, at age 60 and with 30 years of service. The proportion of employees covered by this provision however was greater in 1988 with 11.3 per cent compared to 2.1 per cent in 1998. This decrease in percentage can be explained by the addition of various combinations of age and years of service in 1998, such as, the eligibility for retirement at age 60 with 20 years of service, for 33.6 per cent of employees in 1998.

Conclusion

In conclusion, the past decade has revealed a definite decreasing trend in both the age and number of years of service required to become eligible for retirement. This trend would seemingly address the labour force's changing nature and priorities. Will the possibility of an even earlier retirement hold true in the future or will a presently ageing workforce have the opposite effect? This latter phenomenon will surely have an impact on the whole retirement issue.

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WORK STOPPAGES – THIRD QUARTER OVERVIEW – 1999 AND CHRONOLOGICAL PERSPECTIVE*

Work Stoppages, Labour Organizations and Collective Agreement Analysis Section
Workplace Information Directorate
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Summary

- Time not worked as a result of strikes and lockouts during the first nine months of 1999 amounted to 2,174,082 person-days. This total is somewhat higher than the first nine months average of 2,005,756 person-days lost for the ten-year period of 1989-1998

- The number of workers involved in labour disputes during the first nine months of 1999 totalled 132,443, over the previous ten years which is however lower than the first nine months average of 157,819

- There were 324 work stoppages during the first nine months of 1999, compared with the first nine months average of 341 stoppages over the last ten years

- The average of 16.4 person-days not worked per worker involved in disputes, is higher than the first nine months average of 12.7 days over the previous ten years

Table A

Work Stoppages by Jurisdiction

	Ongoing during the Third Quarter			Cumulative to September 30, 1999		
Jurisdiction	Stoppages	Workers Involved	Person-Days Not Worked	Stoppages	Workers Involved	Person-Days Not Worked
Newfoundland	8	2,316	32,300	11	5,579	55,940
Prince Edward Island	-	-	-	-	-	-
Nova Scotia	4	834	32,500	15	1,540	48,760
New Brunswick	3	348	13,130	6	2,027	23,170
Quebec	53	11,342	267,460	113	20,995	618,362
Ontario	52	6,603	142,700	107	43,452	538,360
Manitoba	4	1,379	20,870	7	1,704	31,360
Saskatchewan	1	190	7,600	7	21,238	83,900
Alberta	5	3,042	21,400	9	3,872	58,190
British Columbia	23	3,337	41,130	36	15,048	195,760
More Than One Province	-	-	-	-	-	-
Total Provinces	**153**	**29,391**	**579,090**	**311**	**115,455**	**1,653,802**
Canada Labour Code - Part I	4	1,790	87,560	10	14,583	429,370
Federal Administration	-	-	-	3	2,405	90,910
Federal Total	**4**	**1,790**	**87,560**	**13**	**16,988**	**520,280**
Total	157	31,181	666,650	324	132,443	2,174,082

Source: Workplace Information Directorate

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* Involving one or more employees.

- Ten major work stoppages (of the 324) occurring during the first nine months of 1999 accounted for approximately 43 per cent of the total person-days not worked

- A strike by 9,500 **Bell Canada** employees, in Ontario and Quebec accounted for 220,500 person-days not worked during the first nine months of 1999, approximately 10 per cent of the nine-month total. The main issues were wages and job security

- The strike of 1,500 **Hydro-Québec** technicians, trades and office employees represents 150,000 person-days not worked during the first nine months of 1999, which is approximately 7 per cent of the total number of person-days lost during these nine months. Once again, wages were the main issue

- Three strikes within the **Toronto District School Board** involving a total of 14,000 CUPE workers accounted for 140,000 person-days not worked during the first nine months of 1999, approximately 6.5 per cent of the first nine months total

- Two other work stoppages reached the 100,000 person-days not worked level during the nine first months of 1999: the **Government of Quebec** nurses strike and the lockout at **MTS Communications Inc.** in Manitoba have respectively reached 104,500 and 103,000 person-days not worked

- Three other work stoppages together accounted for approximately 10 per cent of the total person-days lost during the first nine months of 1999, as follows: **Government of Canada**, 1,600 employees across the country; various **British-Columbia medical facilities**, 6,500 practitioners province-wide; and finally, the **National Steel Car Ltd.** in Ontario, 2,200 employees

Table B

Work Stoppages by Industry

	Ongoing during the Third Quarter			Cumulative to September 30, 1999		
Industries	Stoppages	Workers Involved	Person-Days Not Worked	Stoppages	Workers Involved	Person-Days Not Worked
Primary Industries	9	3,750	107,180	15	4,543	193,560
Manufacturing	52	7,054	117,880	99	22,451	378,882
Construction	1	400	570	4	622	6,020
Transportation, Communication and Other Utilities	14	4,013	207,430	34	28,096	659,710
Trade and Finance	27	2,007	51,350	45	2,536	129,920
Community, Business and Personal Services	42	12,698	137,910	95	68,894	628,320
Public Administration	12	1,259	44,330	32	5,301	177,670
Various Industries	-	-	-	-	-	-
Total	**157**	**31,181**	**666,650**	**324**	**132,443**	**2,174,082**

Source: Workplace Information Directorate

Table C

Work Stoppages – A Chronological Perspective

Period	Number beginning year or month	in existence during year or month* Total Number	Workers involved	Person-days not worked	% of Estimated working time
1989	568	627	444,747	3,701,360	0.13
1990	519	579	270,471	5,079,190	0.17
1991	399	463	253,334	2,516,090	0.09
1992	353	404	149,940	2,110,180	0.07
1993	323	381	101,784	1,516,640	0.05
1994	312	374	80,856	1,606,580	0.06
1995	282	328	149,159	1,583,061	0.05
1996	297	330	281,816	3,351,820	0.11
1997	229	284	257,662	3,610,196	0.12
1998	339	379	233,034	2,463,620	0.08
1999	266	324	132,443	2,174,082	0.09
1998					
September	49	114	44,465	399,870	0.15
October	30	94	27,895	199,980	0.08
November	30	84	100,825	268,230	0.01
December	22	80	11,115	134,090	0.05
1999					
January	14	72	27,745	139,580	0.05
February	23	77	17,686	155,280	0.06
March	38	101	40,124	392,392	0.15
April	36	100	54,413	401,900	0.15
May	31	101	21,387	220,490	0.08
June	39	106	17,300	197,790	0.07
July	27	99	21,224	305,740	0.11
August	27	95	12,146	183,380	0.07
September	31	104	16,812	177,530	0.07

* Refers to work stoppages which began during the year or month as well as those carried over from the previous year or month.

Source: Workplace Information Directorate

SECTION 3

INNOVATIVE WORKPLACE PRACTICES

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Of the total 126 recently settled collective bargaining agreements, approximately one-third (40 settlements) report having initiated or implemented at least one new or innovative workplace practice.

Duration

The average duration of the 126 settlements, (***36.4 months***) confirms a growing trend towards the negotiation of longer-term collective agreements in the latter half of the 1990s, from an average of 32.8 months in 1995 to 36.6 months in 1999 to date. Comparatively, those collective agreements settled in the early 1990 (1990 to 1994), had an average term of 24.6 months (see chart below).

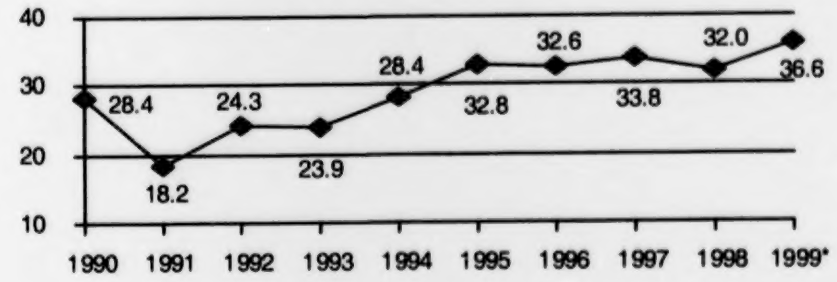
Thirty-nine of the 126 recent settlements (31 per cent) are scheduled to expire within 24 months or less, while 23 settlements (18 per cent) extend over a period of 48 months or more, including a number of ***72-month agreements*** in the pulp and paper industry in various locations across Canada. The majority of the settlements reached over the past few months (37 per cent) have been renewed for a period of 36 months.

Labour-Management Committees

Twenty-one (50 per cent) of the settlements reporting an innovative practice provide for the establishment of a joint committee with varying degrees of responsibilities. These include the establishment of:

- a Tripartite Committee involving NAV CANADA, the Canadian Air Traffic Control Association and Transport Canada, to review and report on ***fatigue related matters*** with any subsequent actions to be taken by Transport Canada;
- a Labour-Management Issues Committee within the Government of Newfoundland and Labrador with a mandate of discussing, and where feasible, developing province-wide policies concerning issues such as in-service ***training-on-the-job, scheduling and banking of hours and workload;***

Average Duration of Agreements
(in months) 1990 à 1999



* January to August 1999

Source: Workplace Information Directorate

- a ***Violence, Harassment and Racism Concerns Committee*** within the Hamilton-Wentworth District School Board to recommend procedures to deal with related concerns; and

- a joint committee within the City of Winnipeg responsible for reviewing and making recommendations on ***quality of work life*** issues.

Organization of Work

Three of the 40 settlements provide examples of initiatives related to the organization of work, namely:

- the settlement between The Queen Elizabeth Hotel and the Fédération du commerce inc. which provides for a ***reduction in workload***;

- the agreement between Stora Enso Port Hawkesbury Ltd. and the Communications, Energy and Paperworkers Union of Canada, Local 972, which allows for greater ***trades flexibility***; and

- the settlement between the Société du parc des Îles and the Fédération des employées et employés de services publics inc. which reduces the previous total customer service group classifications from nine to ***one all-encompassing group***.

Compensation and Working Conditions

Almost a third of the settlements reporting a new or innovative practice (12 of the 40 settlements) cite initiatives which address compensation, family-related responsibilities and work environment issues. New initiatives related to compensation include a new ***Corporate Team Incentive Plan*** in the agreement between the Canada Post Corporation and the Public Service Alliance of Canada and the introduction of a ***Performance Incentive Bonus*** with a minimum lump-sum payment of 1.0 per cent of earnings per year in the agreement between Alcan Smelters and Chemicals Ltd. and the National Automobile, Aerospace, Transportation and General Workers Union of Canada, Local 2301. Examples of family-related initiatives include the introduction of a ***childcare supplement*** of up to $2,000 per year per child five years and younger and ***tuition assistance for dependents*** in the amount of $800 per year per dependent enrolled in a college or university as provided in the agreements between Ford Motor Company of Canada, General Motors of Canada Limited and DaimlerChrysler and the National Automobile, Aerospace, Transportation and General Workers of Canada; a one-time employer payment of $200,000 for ***child care start-up*** purposes and an additional 10 per cent increase to the fund balance provided for in the settlement between the Canada Post Corporation and the Public Service Alliance of Canada; and the introduction of unpaid leave for ***long-term care of a parent*** in the settlement between the National Research Council of Canada and the Research Council Employees' Association. Work environment provisions include a new ***intoxicant-free workplace policy*** as provided for in the settlement between Kimberly-Clark Forest Products Inc. and the Paper, Allied-Industrial, Chemical and Energy Workers International Union, Local 7-0665, and the International Brotherhood of Electrical Workers, Local 1861; and a pilot project involving the development of a ***Peer Support Network*** for OC Transpo employees, to deal with such issues as ***conflict resolution, counseling, harassment and discrimination***.

Training and Development

Three of the 40 settlements include a new practice related to training and development such as the provision for ***educational leave*** in the agreement between DDM Plastics and the International Association of Machinists and Aerospace Workers, Local 2792, which affords employees up to one year's leave of absence for work-related development and for which costs at a maximum of $500 per course and at an annual maximum of $1,250 are reimbursed. Elsewhere, the agreement between St. Boniface General Hospital and the United Food and Commercial Workers International Union, Local 832, provides for the establishment of an ***Education and Training Trust Fund*** to which the employer will contribute $60,000 in each of the years 1999, 2000 and 2001; and finally, the settlement between National Steel Car Ltd. and United Steelworkers of America, Local 7135, provides for 16 hours of ***safety and health training*** per employee over the term of the collective agreement, paid for by the employer.

LABOUR-MANAGEMENT WORKSHOPS IN CANADIAN TRANSIT SYSTEMS YIELD POSITIVE RESULTS

Al Cormier
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Cor Al Services

Summary

During the period 1996 to 1998, labour management workshops were conducted in nine Canadian transit systems. These workshops were the culmination of collaborative efforts between the Amalgamated Transit Union – Canadian Council and the Canadian Urban Transit Association. Two types of activities were carried out:

- day-long workshops of union executive members and the senior management team; and
- "Let's Sit in the Same Room and Talk About It" program, commonly referred to as the TAP program. This program involved all employees in surveys and focus groups.

The workshops delivered to six transit systems in 1996 were reported in a monitoring report dated August 1997. This case study covers three transit systems which had labour-management workshops or TAP programs carried out in 1997 and 1998. A telephone survey of the presidents from the union locals and general managers from the transit systems was used to determine the impact of the activities carried out. The findings can be summarized as follows:

- The labour-management workshops and TAP programs have yielded significant and tangible results in all of the transit systems involved, although in one case, labour does not share this view.
- Results and benefits include items such as:
  - new labour-management committees to address issues identified in the workshops/programs;
  - improved communications between labour and management;
  - improved acceptance of issues as common issues deserving the cooperation of both sides in their solution;
  - replacement of individuals who might have contributed to negative situations in the past;
  - significant reductions in grievances, improved employee attitudes and morale.

Background

During the years 1993 to 1995, the Amalgamated Transit Union – Canadian Council and the Canadian Urban Transit Association collaborated on a project aimed at defining strategies to improve labour-management relationships in the Canadian public transit industry. A national team of labour leaders and transit managers met in a series of workshops to define the existing state of labour relations and to identify acceptable strategies to improve conditions where appropriate. The results of this activity was the publication of a report titled ***"Public Transit – It's Our Future"*** in August 1995.

A key recommendation of this report was that the understanding of the issues and of the adopted strategies developed at the national level be taken to the local level through a series of labour-management workshops.

In February 1996, a joint Amalgamated Transit Union – Canadian Council and the Canadian Urban Transit Association proposal to Human Resources Development Canada recommended a format for local labour-management workshops across Canada. About 35 workshops were anticipated. The proposal also envisaged the preparation of a Workshop Facilitators Guide and the training of facilitators to carry out such workshops.

A tri-party agreement was signed on July 31, 1996, and Federal Labour Minister Alfonso Gagliano announced the agreement in a press release dated August 31, 1996. Workshops began in the fall of 1996. In February 1997, the Amalgamated Transit Union – Canadian Council and the Canadian Urban Transit

Association suggested that due to a number of external factors, it would be difficult to hold as many labour-management workshops as originally planned. It was further explained that strategies adopted at local workshops of senior management and labour leaders needed to be brought down to the rank and file employees of both labour and management to increase the buy-in of these strategies and to improve their chances of resulting in real changes in local transit systems. As a result, the agreement was amended to include the TAP program as part of the deliverables under the agreement. This Program was developed by TI Corporation of Mississauga, Ontario, and was easily adaptable to support the labour-management workshops.

Workshops/Programs

The table below lists the eight labour-management workshops and the three TAP programs delivered under the agreement.

Results from each Workshop/Program Carried Out in 1997 and 1998

a) Pickering, Ontario

Pickering Transit benefited from both the day-long labour-management workshop as well as from the TAP program. Here also, combined together, these two programs set the stage for some significant labour-management improvements. Some of the key changes noted include:

- major reductions in grievances;
- the appointment of labour representatives on new committees to look at work issues;
- the replacement of the transit supervisor by the inspector and the filling of the inspector's position from within.

Workshops/Programs

Activities carried out in 1996

Date	City/Province	Type of Activity	Number of Participants	
			Labour	Management
1996-02-10	Thunder Bay, Ontario	Labour-Management Workshop	4	3
1996-04-10	St. John's, Newfoundland	Labour-Management Workshop	6	5
1996-09-30	Red Deer, Alberta	Labour-Management Workshop	8	4
1996-10-01	Lethbridge, Alberta	Labour-Management Workshop	6	4
1996-10-02	Medicine Hat, Alberta	Labour-Management Workshop	4	4
1996-10-29	Windsor, Ontario	Labour-Management Workshop	5	12

Activities carried out in 1997 and 1998

Date	City/Province	Type of Activity	Number of Participants	
			Labour	Management
1997-10-17	Pickering, Ontario	Labour-Management Workshop	4	6
1997-11-12	Pickering, Ontario	TAP Program	22	3
1998-01-29	Brampton, Ontario	Labour-Management Workshop	10	10
1998-01-05	Brampton, Ontario	TAP Program	150	10
1998-04-18	Cornwall, Ontario	TAP Program	45	4

A negative situation in Pickering is the standing proposal to merge the Pickering Transit services with those of the neighbouring Ajax municipality to create a new transit organization serving the two communities. While Ajax Council has temporarily shelved these plans, Pickering Council has not. This leaves the employees with an uncertain future. Management indicated that if the amalgamation goes ahead, the new management and union structure would benefit greatly from another labour-management workshop to work on the many new issues that will undoubtedly accompany the amalgamation process.

b) Brampton, Ontario

Brampton Transit benefited from both the day-long labour-management workshop as well as from the TAP program which dealt with all transit file employees. Combined together, these two programs set the stage for some significant labour-management improvements. Some of the key changes noted include:

- changes in both management personnel and union executive;
- establishment of new labour-management committees;
- significant drivers' input into route changes;
- more sharing of information with employees;
- morale, attitude and attendance improved; and
- acknowledgement by both labour and management that progress has been made and that the work is not complete. Both sides are eager to continue improvements.

c) Cornwall, Ontario

The changes in Cornwall, which received the TAP program only, are not as significant as in the other two cities. This has likely to do with the fact that the one-day labour-management workshop usually sets the stage for more cooperative actions resulting from the workshop or from other programs such as TAP. The improvements, in terms of labour-management relations to date are more modest than in the other two cities. The improvements noted include:

- setting up joint labour-management committees to deal with marketing, route planning and maintenance;
- setting up an anti-rumour board;
- more regular labour-management meetings;
- distribution of minutes of the labour-management committee meetings to every staff member;
- more sharing of information from management via letters distributed to every employee;
- service changes instituted on Saturdays;
- involvement of staff in the set up of automated dispatching for para-transit services; and
- transit managed to avoid further budget cuts contemplated by the City.

Results from these new committees are not significant as yet. Although many good ideas evolved, actual implementation is still to be seen. Unless some of these ideas are implemented soon, the will of labour representatives to continue sitting on these committees may wane.

The telephone interviews were held with the Union President and the Transit Manager only. If the views of these two individuals represent that of their staff and/or members, it is clear that the activities and the progress achieved is not seen in the same light by both sides. Their individual perceptions of progress and hopes are very different. Management shows some satisfaction with progress while labour sees very little, if any.

Lessons Learned

Three important lessons were learned during the process of carrying out the Labour-Management Workshops and the TAP programs. These are:

- Getting the Senior Management and the Union Executive Committee in a workshop for dealing with issues and changes is significantly hindered if all file employees are not part of the process. Accordingly, to be most effective, the Labour-Management Workshops should ideally be followed by a TAP program.
- Proceeding directly to a TAP program, without first going through the Labour-Management Workshop is risky if either the Union Executive or the Senior Management is not committed to jointly address the issues.

- The facilitators should follow up with both Senior Management and the Union Executive within four to six months after the workshop/program to ensure that actions are proceeding and to offer additional facilitating assistance if necessary.

Recommendations

Judging from the results of this process, the following recommendations are made:

- The Canadian Urban Transit Association and the Amalgamated Transit Union – Canadian Council should continue offering the workshops and programs.
- Transit systems willing to accept such programs in the future should first have the workshop involving the Senior Management and the Union Executive before starting the TAP program which involves all transit employees.
- Labour-management workshops should be followed by TAP programs to ensure the buy-in and involvement of all employees.
- The Program facilitators should follow up on progress within four to six months after the completion of the Program and, where judged necessary, make themselves available for additional support to carry on with the recommended actions.

The views and opinions expressed in this document are those of Workshop Participants, and do not necessarily reflect the position of the Labour Program, Human Resources Development Canada.

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The "Labour-Management Workshops" project was made possible with financial assistance from the Labour-Management Services, Federal Mediation and Conciliation Service, Labour Program, Human Resources Development Canada.

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PARTNERSHIP, PARTICIPATION AND TENSIONS: THE CASE OF THE ABITIBI-PRICE PAPER MILL IN ALMA, QUEBEC

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Like all other large paper mills, Abitibi-Price Inc. had to innovate to adapt to the crisis that shook the industry at the end of the 1980s. In Alma, issues of work reorganization and job protection provided the opportunity to develop better labour-management co-operation. This study[1] intends to explore this new labour-management co-operation to determine to what extent the 1993 signing of a partnership agreement between Abitibi-Price Inc. and the Syndicat national des travailleurs des pâtes et papiers d'Alma inc. (Confederation of National Trade Unions) fostered greater worker and union participation in the management of the company and the introduction of organizational innovations. New labour relations were implemented through the innovations made in this paper mill.

The Alma mill's fame is widespread. All those who have become closely or remotely interested in this innovative experiment call it a success story. Like most studies related to corporate innovations, writings on the Alma mill nevertheless have focused on identifying changes and examining their effects on social and economic performance, leaving aside the issue of their sustainability. Yet this issue is critical given the numerous tensions that are at the very heart of these innovations and that particularly affect the local union.

Technological Changes, Investments and Jobs[2]

From an unstable economic and financial situation at the end of the 1980s, the Alma mill has risen to the first quartile of the world's paper producers. The long-term survival of the plant is now assured. The efforts made by everyone on the scene translated into unprecedented performance improvements that led to the reinvestment of profits in technological modernization of equipment. From 1995 to 1997, more than $165 million was reinvested in the Alma mill, which works out to an annual average of more than $55 million, compared to an average of $13 million annually between 1984 and 1992.

In 1996, $110 million was spent to set up a thermo-mechanical pulp shop. This technological change was a test for the partnership. Initially, the introduction of this shop was to mean the loss of more than 180 union jobs. However, as a result of negotiations within the framework of job management planning, there were only 60 layoffs. Many means were used to achieve this result.

First, a new early retirement plan was set up. To this end, Abitibi-Price Inc. granted $3.9 million to allow slightly more than a hundred people to retire at age 56, without financial penalty. Second, the parties agreed to invest in training. Abitibi-Price Inc. also committed itself to investing an average of one million dollars per year over and above the regular training budget, to be spread over six years, starting in 1997. This training project allows for job retention. In fact, workers receiving training are replaced in their jobs by colleagues who would otherwise be without a job. Third, the parties agreed to set up a new system to manage succession. This new system eliminates the concept of the succession list and integrates the people on that list into the teams assigned to the plant's production activities.

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[1] This study led to a master's dissertation: LACHANCE, Maryse, 1998, Partenariat, participation et tensions : le cas de la papeterie Abitibi-Price Alma, under the supervision of Paul-André Lapointe, Industrial Relations Department, Université Laval. The field work was done between May 27, 1996 and March 20, 1997. There were a total of 44 formal, semi-directed interviews. Data collection was also done through about 100 hours of direct observation in the mill.

[2] The main events surrounding the emergence of new labour relations in the Alma paper mill are presented in Ruth Chamberland's case study, which is available on the Human Resources Development Canada Web site at http://labour-travail.hrdc-drhc.gc.ca/.

Technological innovations have certainly led to improvements in quality, machine efficiency and productivity, but these improvements are also due to the intensification of work, to organizational innovations and to the use of employee know-how. In terms of work organization, there were innovations in four areas: changes in the organizational structure, the introduction of work teams, task flexibility and the setting up of off-line groups for daily production activities.

Changes in the Organizational Structure

The flattening of the organizational structure led to the elimination of two levels. In 1992, the organizational structure went from five to three levels. However, this evolution also saw an increase in the number of technical and administrative managers. The organizational structure was also modified with the uniform decrease in direct supervision in all sectors of the plant. This change brought about the elimination of first-level supervisors (foremen) on the evening, night and weekend shifts. Finally, the role of the first-line supervisor, named the co-ordinator, was changed considerably. Previously cast as a technical expert, today the co-ordinator is called upon more to help and advise the workers and to act as a coach for the work team.

The objective of this operation was to encourage front-line worker accountability, both in the operators and in the tradesmen. The workers, who are given more autonomy in their work, handle the normal operation of the manufacturing processes. They are therefore in a position to make more decisions about the execution and co-ordination of their own work. On the other hand, the technical managers do the more complex work that requires solving more complicated problems and planning procedural changes.

In short, the changes in the organizational structure have led to more autonomy for all the workers in the plant. However, the reduction in direct supervision also brings with it new forms of direct control. Previously, it was authoritarian in nature and oriented mainly towards maintaining discipline. Now, control is changing in the new climate of co-operation; it is friendlier and directives look more like advice.

Teamwork

The introduction of new technologies and the changes to the organizational structure, combined with the need to improve production, favoured the implementation of semi-autonomous work groups in the Alma paper mill. In fact, the two new departments in the fibre and pulp sector apply these new principles of work organization. The first groups were introduced in 1994 when the deinked pulp shop was set up. Since the experiment produced the desired results, in 1996 the parties agreed to use the same organizational principles in the new thermo-mechanical pulp shop.

These groups, which account for less than ten per cent of the workers, are in fact small work collectives because of the limited number of workers in each team. The groups in the deinked pulp shop have four employees per shift; only three operators per shift are responsible for the operation of the entire thermo-mechanical shop. In both cases, the workers have chosen to rotate through all the workstations. This type of organization was selected because of its versatility and because it helps reduce monotony at work. There is no hierarchy within the group, no job scale and no team leader. In addition, all workers are paid at the same rate.

The team of operators is responsible for the department during its shift; co-ordination during the day, from Monday to Friday, is the responsibility of a co-ordinator. The withdrawal of direct supervision translates into work enrichment since many management responsibilities fall to the team members, including time management (work schedules, vacation and floating holidays) and the ordering of materials and equipment. In addition, if there is an excessive workload, the team members are responsible for getting an additional team member, without prior approval from the co-ordinator. In the co-ordinator's absence, certain important decisions, such as a complete stoppage of the production system, are part of the new responsibilities of the work team.

The increased importance of the teamwork is also visible in all sectors of the plant. However, in these sectors, teamwork takes more rudimentary forms that are more in keeping with the traditional organization of work and the preponderance of the hierarchy in relationships between workers. Thus the powers and responsibilities devolved to the workers remain by and large confined to a limited number of them, those who are the most experienced and who also hold the jobs at the top of the scale. Teamwork in these sectors is characterized by an improvement in communications as well as increased co-operation and mutual assistance among team members.

In the plant as a whole, the principle of teamwork results in wider circulation of information, better transmission of knowledge and know-how among team members, and more mutual assistance, not only between team members, but also between teams on different shifts. In summary, teamwork fosters more involvement by the workers; this is also true of the off-line groups.

Off-Line Groups

There are many quality improvement groups in the Alma paper mill; a significant percentage of the unionized workforce is involved in those groups, in co-operation with management representatives. These workers come from the front line and their involvement is voluntary. By participating, the workers acquire new expertise that allows them to add to their knowledge and abilities. In fact, these workers occupy positions that are generally given to outside consultants or even to management executives. These groups, in fact, are the expression of a decentralization of responsibilities to front-line workers. Three of these groups are especially noteworthy: the *'trainers'*, the *'work injury prevention'* and the *'champions'*.

The mandate of the '*trainers*' groups is not only to provide operational training in their respective departments, but also to evaluate training needs. In total, there are 22 unionized employees from the different departments in the plant who act as trainers. Willingness does not make a trainer! Interested workers must apply for the positions offered in their department and it is only after a rigorous selection process based on criteria agreed to by both management and the union that a worker becomes a trainer. All the trainers work full time on this assignment during their mandate.

Prior to 1993, the company had a work safety problem. Accident rates were very high; in some departments, the rate was more than 100 (for 1,000,000 hours worked, 100 accidents were reported). The high costs related to health and safety were in part at the root of the profitability problem at that time. After the partnership agreement, the plant's health and safety committee set up groups of workers responsible for work injury prevention for the entire plant. Employees in '*work injury prevention*' groups are also responsible for promoting awareness of established safety rules and motivating their colleagues to follow these rules. They must not only inform workers, they must also listen to their needs in order to be able to prioritize work requests and follow up on corrective measures.

As for the '*champions*' groups, their mandate is to ensure continuing communication with the clients in order to satisfy them as much as possible. There are about ten '*champions*' groups in the plant. Each group is assigned one of the mill's major clients. It is responsible for following up on its client's orders; as a result, it must ensure that the client's requirements are met and that complaints and questions are dealt with properly. These groups may also be called upon to visit their client on a more or less regular basis in order to better understand the client's needs. The creation of these quality improvement groups has contributed to solving a major problem at the Alma mill, that of client dissatisfaction. Whereas in 1991 none of its 200 clients considered the mill to be its best supplier, five years later the situation had been turned around and more than 60 per cent of the mill's clients believed it was their best supplier.

The '*trainers*', '*work injury prevention*' and '*champions*' groups indicate, each in its own way, the importance of worker involvement in the work environment. Even in the departments where the work organization remains more traditional, the level of involvement is without precedent. All in all more than 100 unionized workers, or almost 20 per cent of all unionized employees, are involved in work groups. The desire to be involved is therefore quite present and is growing within the plant. The scope of this trend towards involvement within the mill shows a real desire on the part of the workers to participate in the development of their work environment. However, this involvement is translated into limited forms of participation; in fact, participation in work groups is limited to secondary issues and entails selecting the best means of reaching objectives set by management or by the joint management committee that will be discussed below.

Functional Flexibility

The idea of trades flexibility was introduced in the 1990-1993 collective agreement. However, the first experiment in flexibility was introduced in 1988. At that time, the management and the union created unified trades by combining three of them: painters, masons and joiners. Later, there were additional groupings of various trades. In return, the employees received salary adjustments, promises of training and a guarantee that there would be no layoffs as a result of the introduction of flexibility.

The introduction of flexibility in the trades at the beginning of the 1990s certainly fostered greater mutual assistance and some decompartmentalization of duties. However, it did not come with all the requalification that it was supposed to bring when it was started. The principle of respecting the original trade and the lack of adequate training are the main factors that contributed to slowing down the trend towards decompartmentalization of the trades. However, over the last few years flexibility in the trades seems to have picked up. In fact, the agreement on the introduction of the thermomechanical pulp shop includes a provision on setting up a multidisciplinary team in which everyone would be able to do the work in a multiskilled way, given adequate basic training.

In terms of flexibility, the increased co-operation between operators and tradesmen in the case of repairing minor equipment breakdowns represents a major breakthrough. However, this principle is not uniformly applied throughout the departments in the plant. In fact, this type of flexibility is more evident in departments where semi-autonomous groups exist. The fact that operators and tradesmen have received joint training in the new production process has certainly fostered this decompartmentalization. In the departments that have a more traditional type of work organization, operators and tradesmen clamour for respect for the borders between trades on the one hand and between maintenance and production on the other hand. In the paper machines department, the co-operation between tradesmen and operators is seen mainly when there are major problems; aside from those cases, respect for each worker's tasks and duties prevails.

In short, the introduction of flexibility has fostered some breaking down of the barriers between operations and maintenance, and also within trades groups. However, the main obstacle to the spread of functional flexibility is the lack of structured training.

Joint-Management Mechanisms

At the Alma paper mill, labour-management relations, characterized by partnership, have certainly fostered the introduction of organizational innovations and direct worker participation. The partnership is implemented mainly in a structure of joint committees (see Chart 1). The main component of the structure is the Joint Plant Management Committee. It includes the ten sector managers, the six members of the union executive and two representatives of the office staff union. It also includes the plant manager and the administrative assistant, who acts as participating secretary. The members of the committee meet every week at a set time. The main responsibility of the Joint Plant Management Committee is to ensure that the plant survives and develops. To do so, it prepares a business plan that is submitted to headquarters management and it implements management's decisions. It also oversees the other components of the partnership structure. The committee sets up the various subcommittees and defines their mandates, it is therefore responsible for approving their proposals and monitoring their activities.

More and more the union is invited to participate actively in the management of the plant. However, the management and the union are aware that they represent fundamentally different interests. Therefore, before meeting they must define their roles as well as the main thrust of their contributions. Thus, they define the limits of the partnership. The broad lines of management's input are determined by the senior management committee, which includes all the senior managers. Concurrently, the union executives meet on the Executive Committee on a monthly basis.

There are union representatives in virtually all joint subcommittees. However, the ISO (International Organization Standardization) Committee, the Development and Continuous Improvement Committee and the Local Environment Committee include front-line union workers who work full-time on this assignment for the duration of their mandate. Participation in these committees is voluntary. The unionized workers on these committees are selected based on criteria established by the members of the Joint Plant Management Committee. Each one then receives training appropriate to his new responsibilities. Although they are not union representatives mandated by the members or the executive, these workers are to all intents and purposes worker representatives.

On the whole, whether they are union representatives or ordinary workers without a union mandate, the worker-members of the joint subcommittees participate, with management representatives, in the development, implementation and follow-up of the committee's activities. Their participation is limited to the implementation of the action plans and decisions made at a higher level, often by the Joint Plant Management Committee.

This committee is in fact the only body where strategic issues are discussed, especially those dealing with the survival and development of the plant. Union representatives are informed, even consulted, on these issues, but they do not, per se, participate in the decision-making. Management sees this mechanism as an important advantage. Union participation at the level of strategic management is a better vehicle for informing union leaders; the information thus transmitted to their members fosters better worker buy-in on modernization projects. On the other hand, on operational issues (work organization, training, health and safety, etc.) the union has real power to influence decisions. In fact, any subject dealt with by the subcommittees in the partnership structure requires the approval of the members of the Joint Plant Management Committee. The union therefore has significant influence, especially since most of the joint participation mechanisms include members of the union executive. Still, the union representatives and the workers on the subcommittees have to consider the scope of the decisions and their impact on the day-to-day work in the plant. Too often the input of the union representatives focuses on the survival of the plant and job protection, and there is insufficient attention to daily work problems.

The New Negotiation Method

Not everything is solved at the Joint Plant Management Committee. The repercussions of major modernization projects and issues related to the negotiation and administration of the collective agreement are discussed by the "Bargaining Committee." For example, the recent negotiations on the impact of the introduction of the thermo-mechanical pulp shop were handled by this committee.

Since 1993, the parties have negotiated on an ongoing basis, using an interest-based approach. Everything that has to do with the non-monetary clauses in the collective agreement can be discussed from day to day. Therefore, rather than making demands in order to protect acquired rights against all comers, the parties try to define and analyze their common problems and solve them jointly in order to arrive at a satisfactory agreement, always in the spirit of respect for the other party's roles and interests.

The essence of interest-based bargaining is the joint search for solutions that are mutually satisfactory or "win-win." The method used is the problem-solving process. In this method, there is no management or union spokesperson; every person at the table can speak as an individual and all contributions are encouraged. Thus the traditional barrier between management and the union is blurred so that creative potential can be freely expressed.

In this case, the new bargaining method translates into a broadening of the bargaining issues, including work organization, the introduction of new technologies, as well as certain aspects of operational management of the mill, such as training needs. This new method of ongoing negotiation reflects the new climate of co-operation and trust between the parties. It thus differs from the traditional form of negotiation based on confrontation, power struggles and the total absence of trust between the parties.

New Conflict Resolution Method

Since 1993, there has been a new conflict resolution method in use at the Alma paper mill. Since it has been put into place, no grievances have been filed. However, it is important to point out that the absence of grievances does not mean the absence of disagreements or complaints. This situation, rather, is due to the implementation of a new procedure to resolve complaints. In fact, it is no longer necessary to formalize a complaint in writing and, in addition, solving disagreements has been decentralized to the departmental level and complaints are no longer recorded. Nowadays, the parties interact face to face rather than through third-party forums. Disagreements are resolved through discussions between the main parties involved. The new method of conflict resolution supports the union's participation in the management of the company in that it allows the union representatives to set aside the daily irritants and focus on the broad issues surrounding the development of the mill, which are deemed more important than "punch card and shoelace issues." But in so doing, the union representatives become distanced from their members.

It therefore becomes more difficult to measure the organizational climate with the usual indicators, especially since the parties have also agreed to waive their right to strike and lockout. However, a certain amount of discontent remains, but its source now lies in local union relations.

The Tensions and Pitfalls of Partnership

Joint management is a painstaking process that is in constant evolution. On the union side, the time requirements are excessively high. The union representatives are very much in demand; not only are they involved in many, if not most, of the joint committees (as shown in the attached organization chart), but the new ongoing negotiation process also requires a lot of time and energy. The main consequence of the excessive workload on union representatives is their notable absence from the workplace. Many workers cry out against the fact that the union leaders are not visible to their members.

Employees also feel that their union representatives are too closely linked to local managers, especially on the Bargaining Committee. To those who are most critical, this closeness between managers and union leaders is unacceptable and shocking. Workers' concern about this rapprochement, even intimacy, between management and union leaders stems from the fear that their representatives will become unable to capture the two sides' diverging interests, which have traditionally been perceived as dichotomous. Participating in the decision-making process gives the union a share of the responsibility, especially when decisions have a negative effect on employee working conditions. Thus the danger is that the union will identify with management objectives at the expense of the members' interests. The most critical among the workers will say that their union has become simply a mouthpiece for management.

Other workers have also denounced the procedures for submitting and approving proposed agreements during union general meetings. In fact, the workers are presented with agreements that are cast in stone and for which there is no reasonable alternative. When it is time to vote and make a decision, they are under the impression that they face the only "common sense" solution. The agreements or package deals that have been presented to general meetings since 1993 have all been ratified by more than 80 per cent of members. The workers are up against the wall since all agreements must be accepted or rejected as a whole. Any suggested amendment by workers is systematically refuted by the union executive. In certain circumstances, the executive gets its back up when criticized by members. Instead of a place where workers could express themselves and make decisions, the union general meeting has become a place where information is transmitted about proposed changes and where agreements previously approved by the members of the Bargaining Committee are accepted.

Lastly, their involvement in the management of the plant and the priority given to plant survival and job protection mean that union representatives give a very low priority to the day-to-day problems of salaried employees at work. Whether it is an excessive workload or frequent changes of workstation, these problems represent major irritants to the salaried workers, but the union leaders consider them a small price to pay to keep one's job. These insufficiently addressed irritants, which used to fuel and justify union activity, now contribute to weakening the legitimacy of the union in the eyes of the workers.

This dissatisfaction has manifested itself in two ways. On the one hand, there was a threat of disaffiliation in February 1995 that, although it had no major repercussions, nevertheless forced the union leaders to take note of the magnitude of worker dissatisfaction with the workings of the partnership. On the other hand, in January 1997, worker dissatisfaction led to the election of a new union president who insisted on getting closer to the members while maintaining the partnership. In addition, this change in the union leadership brought about the desertion of the two main architects of union participation in the management of the company.

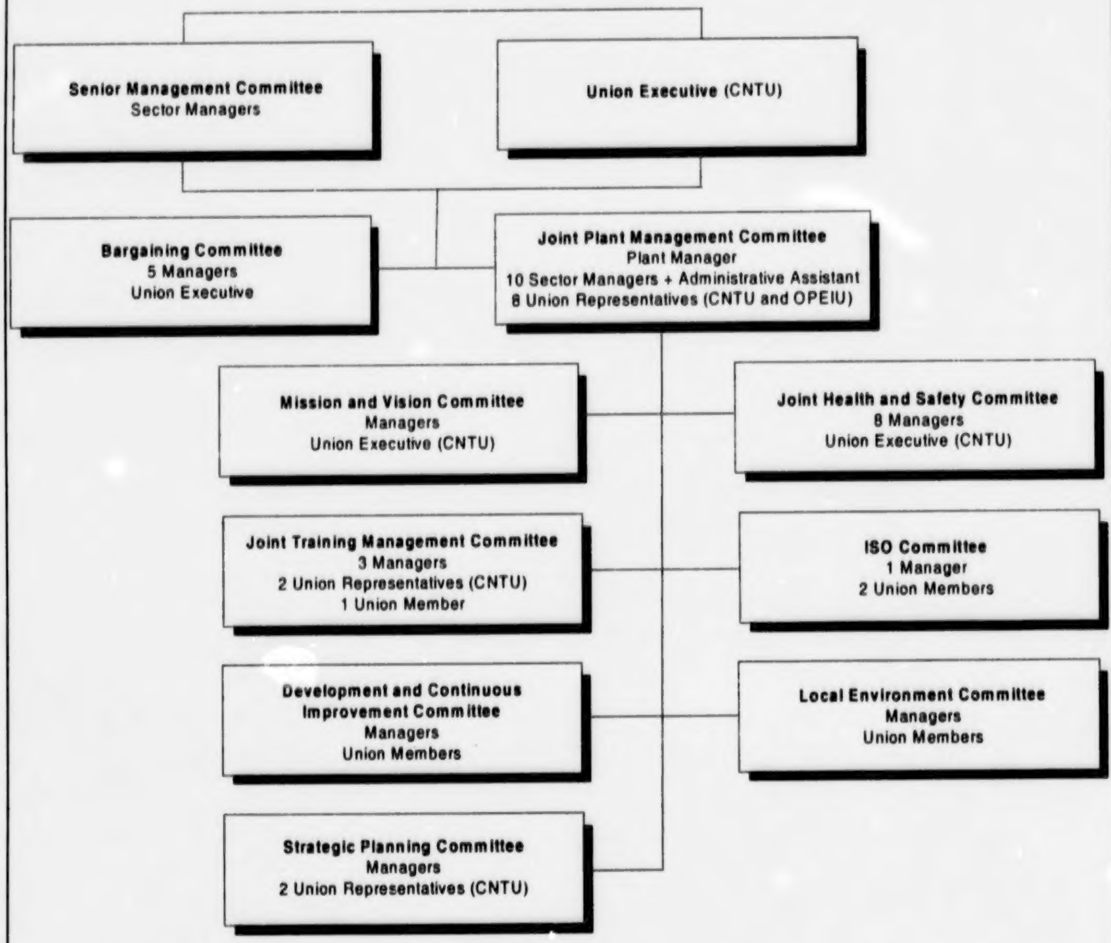
Conclusion

The signing of the partnership agreement, which institutionalized the new co-operative union-management relations, not only formalized and legitimized union participation in the future of the plant, it also afforded an opportunity to encourage front-line worker participation, involvement, and accountability. In this case, the transformation of work relationships has given the union greater power to influence the decision-making process in areas not covered by the collective agreement that are usually the exclusive preserve of management. However, there is no joint decision-making process. Still, the joint committees are a forum for information exchange, consultation, and ongoing negotiation.

The partnership in the Alma plant has certain weaknesses that make the current experiment more fragile. We have seen that the source of the tensions likely lies in many factors. First, the distancing of the union leaders from their members as they become closer to management is a significant source of dissatisfaction for the workers. Moreover, the workers believe that the closeness between managers and union leaders is unacceptable and could weaken the union. The lack of a union viewpoint independent from that of management has helped intensify this perception. In fact, the workers are very concerned about whether their union representatives can reconcile, within the framework of the partnership, a rapprochement with plant management and the fundamentally divergent interests that characterized the traditional labour relations model. This questioning is even more crucial in that the boundaries between the two parties have thinned considerably, even disappeared, since the advent of the partnership.

In summary, the tensions that lie at the heart of local union relations are a major factor in weakening the partnership that characterizes labour relations at the Alma paper mill. In the absence of broader institutional support, partnership remains fragile and limited to the local level, thus hindering the spread of innovative experiments. In addition, with the increasingly decentralized nature of negotiations, the workers and their representatives tend to focus on their work environment; the disaffiliation threat is a symptom of this state of affairs.

Organization Chart of the Joint-Management Committees


Senior Management Committee
Sector Managers
Union Executive (CNTU)
Bargaining Committee
5 Managers
Union Executive
Joint Plant Management Committee
Plant Manager
10 Sector Managers + Administrative Assistant
8 Union Representatives (CNTU and OPEIU)
Mission and Vision Committee
Managers
Union Executive (CNTU)
Joint Health and Safety Committee
8 Managers
Union Executive (CNTU)
Joint Training Management Committee
3 Managers
2 Union Representatives (CNTU)
1 Union Member
ISO Committee
1 Manager
2 Union Members
Development and Continuous Improvement Committee
Managers
Union Members
Local Environment Committee
Managers
Union Members
Strategic Planning Committee
Managers
2 Union Representatives (CNTU)

CNTU: Confederation of National Trade Unions
OPEIU: Office and Professional Employees International Union

THE BREAKDOWN OF PARTICIPATION AND PARTNERSHIP AT CASCADES JONQUIÈRE INC.

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The Jonquière board mill, which began operating in 1962, was acquired by Cascades in 1984. At the time, the plant was in financial difficulties. Cascades undertook a reorganization, making major technological changes and shutting down part of the facility, the Kraft pulp operation. This led to a 40 per cent reduction in the workforce, which the union strenuously protested.

By 1995, the plant was producing close to 400 tonnes of paperboard a day and employed more than 200 people, including 170 unionized workers affiliated with the Confederation of National Trade Unions. The reorganization of work, specifically the establishment of problem-solving groups, ended in failure, as the salaried workers refused to participate. Negotiations did, however, result in greater work flexibility. Management also set up a work committee that aroused genuine interest from union members at first, but soon lost favour as the workers became disillusioned with it.

Labour relations, moreover, were extremely tense. The union demanded to participate in management, formulating a range of counterproposals regarding the organization of the work and the economic and financial management of the mill. However, management refused to allow the union to participate and attempted to circumvent it.

This case study[1] covers the period 1980 to 1995. It derives from intensive research conducted between 1992 and 1995. All the interviews were conducted during this period. A one-week session of direct observation in the workplace also took place in the spring of 1994.

Management Philosophy at Cascades

Cascades was founded in 1964 by the Lemaire brothers, with the acquisition of an old paper mill in the little village of Kingsey Falls. Its growth has been remarkable. By 1995, the company was the second-largest pulp and paper manufacturer in Quebec, employing 4,762 people in 45 plants.

Cascades Jonquière Inc. is distinguished by a unique management philosophy based, first, on administrative decentralization of the operational units. In other words, the mills are responsible for their own investment and financing. The second element of the management philosophy is sharing: profit-sharing, gifts of stock, reinvestment of profits in the mills that generate them, and maximization of benefits to the local community (thus there is no distribution of dividends to stockholders). The third feature of the Cascades philosophy is respect: respect for the employees, respect for their expertise, and respect for the customers. Also fundamental for the Lemaire brothers are transparency and openness in relations with employees and with all other stakeholders. This is reflected in free access to information and regular meetings for all employees and their union, where applicable. Another fundamental element of the Cascades philosophy is a focus on listening and an "open door" policy. Management, including senior executives, is always available to hear workers' problems, complaints and suggestions. The Lemaire brothers' mills are also unusual because of the virtual absence of any hierarchical structure: the number of management employees is kept to a strict minimum, and the organization of work is based more on teamwork and on devolving responsibility to the workers. Finally, the management philosophy is intended to maintain a positive working atmosphere and promote a high level of employee motivation. What happened to the Cascades management model at the Jonquière board mill? Is this a model that is conducive to organizational innovation and to partnership?

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[1] This study was made possible by funding from Human Resources Development Canada, the Social Sciences and Humanities Research Council and the Fonds pour chercheurs et l'aide à la recherche (Fund for research Training and Research Assistance). This text is a summary of the research report: Lapointe, Paul-André, Participation et partenariat à Cascades Jonquière inc. : impasse temporaire ou impossible partenariat, cahiers CRISES, UQAM, No. 9604, 1996, 78 pp.

Reorganization of Work

There are two job categories for workers on a board machine. In the first category are automated unit operators, who are responsible for supervising the process (machine operator and assistant operator, and coating machine operator). The second category consists of the other positions involving the operation of mechanical equipment, which in some cases is simply manual operation, including spooling and packing the board (third to sixth hand positions, assigned to the spooling and packing stations and the position of labourer).

As shown in Table 1, the number of positions required to operate the board machine declined considerably, from 11 to six between 1982 and 1993. The unskilled jobs, those in the second category, were the ones that were cut, accounting for four of the five positions abolished, the fifth being that of foreman. These reductions can undoubtedly be explained by technological change, but are also due to the increased intensity of the work. One incident, unfortunately a tragic one, attests to a marked increase in the workload. In early April 1992, a fatal accident occurred at the machine. A worker was crushed by a roll of board while he was adjusting the knives on the spooler. In his accident investigation report (1992: 23-24), the commissioner with the Commission de la santé et de la sécurité au travail (Workers Health and Safety Board) identified as one of the "real, underlying causes of the accident" the fact that:

> *"...the workers did not take the time to disengage the roll before lowering the elevator platform and restarting the spooler.... Production had been lost and the workers were in the habit of doing everything possible to make up delays."*

The job qualification process has developed differently depending on the position. Automatic equipment operators have generally been requalified, in light of the increased complexity of the tasks involved in regulating the process and because of the new responsibilities they acquired with the abolition of the foreman position. For the other positions, however, such as those that involve handling the finished product, the skill level has essentially remained the same. Despite the introduction of a quality assurance program aimed at greater standardization of work methods and procedures, there has been no downward requalification of work. Production has become more complex with the addition of new quality and customer satisfaction parameters, increased environmental

Table 1

Number of Positions, Board Machine, Including Packing

	1982	1993
Foreman	X	–
Machine Operator	X	X
Assistant Machine Operator	X	X
Coater Operator	X	X
Third Hand	X	X
Fourth Hand	X	X
Fifth Hand	X	–
Sixth Hand	X	–
Packer Operator	X	X
Assistant Packer Operator	X	–
Labourer Assigned to Wastage	X	–
TOTAL	**11**	**6**

requirements and the modernization of the machines. In addition, there are so many unpredictable situations that it is impossible to anticipate everything. Furthermore, the tools that are used to capture data and initiate operations are susceptible to malfunction, to the point where human vigilance is constantly required and operators are likely to be called upon at any time to intervene.

The recent evolution in the organization of work is also reflected in the elimination of first-level foremen. Some of their former responsibilities have been transferred to the machine operators, while others have been reassigned to those in technical management positions (in fact three newly created positions – two engineers and one production secretary). Responsibility for meeting the new requirements for quality and efficiency, brought about by customer demand as well as technological change, has been assumed by the workers in these new positions.

At the same time, the labourer positions on the machine were also eliminated. These workers did not receive the training that would have allowed them to fill the new positions and to take on responsibility for improving quality and efficiency. The recent changes in production call for specialized qualifications, on a far more abstract, intellectual level. However, the new duties are not in the main performed by production workers (with the exception of the position of machine operator), but rather are assigned to engineers, who are now involved almost directly in the production process and no longer confined to technical support services.

The elimination of first-level foremen, furthermore, has not resulted in a lessening of management's control of the work and a proportional increase in the autonomy of the workers. With the flattening of the hierarchical pyramid, there has been a redeployment of the control structure (see Figure 1). The foremen have been replaced by technical managers, who intervene directly in the production process. Moreover, the nature of the control itself has changed. On the one hand, greater use is made of computers, which register the slightest variations in the process and all inputs, thereby giving management a far more effective, continual supervision tool. On the other hand, management is based in large measure on an internalization of the production objectives and on self-discipline, strongly maintained by the constant threat of closure. One worker described the situation in the following terms: "...people aren't fools either; when you're continually being told it's not profitable...you try to give a little bit more of yourself. That's what happens." Not only has the nature of control changed, but the level of control has increased, as is apparent from the increase in the ratio of management to workers, calculated on the basis of the total workforce: where there was one manager for 5.5 workers in 1982, the ratio had dropped to one manager to 4.7 workers 11 years later.

Figure 1

Organization Chart, Board Machine

1982	1993
Superintendent	**Superintendent**
	Operations Assistant
Foremen (5)	**Process Engineer**
	Operations Assistant
Workers (41.5)	**Workers (25)**

(The number of individuals is identified in parentheses, when more than 1.)

Despite appearances (abolition of the foreman position and the fact that plant jargon now constantly refers to a "work team" to designate workers on the same shift and in the same department) and despite the official documents produced in the course of the negotiated reorganizations (which use the word "teamwork"), there is no real teamwork, defined as a new form of work organization based on a degree of versatility and on the exercise of co-ordination and control by the workers themselves. On the one hand, the organization is still based on a hierarchical structure that places all the positions in an "ascending line," starting from the lowest (the one that is the least skilled, requires the least training, and is the most monotonous, the most physically demanding and the lowest paid) to the highest, which has the opposite characteristics. Advancement is on the basis of seniority. On the other hand, the machine operator is the one who now carries out some of the duties that were formerly incumbent on the foreman: he records absences, calls the workers back to work, if necessary, and assigns workers to positions. He is also responsible for making major decisions, in the absence of managers, or for referring decisions to them where necessary.

Work Interaction

There is, however, greater co-operation at work, even though there has always been co-operation, especially during malfunctions, which require everyone to work to remedy the situation as quickly as possible. The increased co-operation, however, is exercised within a hierarchy, even if it is a hierarchy whose shape has changed. The production of board is organized around three key positions, each of which is in a different department: inspector, machine operator and chief controller of pulp distribution. Formerly, communication among these three positions passed through the management level; today, the central communications position is that of machine operator, and co-operation occurs directly, from one department to another, between the workers who are the "lead hands" in each department.

In the area of maintenance, the traditional demarcations between trades have become considerably more flexible. On a repair site, one or two workers are now qualified to perform the necessary tasks, regardless of their original trade, whereas before the workers in different trades did their work in succession. While some worked, the others waited. There was reportedly a lot of down time. Now, the trades are gathered into two large families: mechanical and electrical. In the electrical family, electrician and instrument technician have been combined into one trade: technician. The mechanical family comprises four different trades: automobile mechanic, maintenance mechanic, pipefitter and welder.

With the introduction of flexibility, two new configurations have appeared. Automobile mechanics can perform basic welding and plumbing tasks after a certain amount of training. In the case of the other three trades, each worker retains his basic trade, but acquires the knowledge necessary to perform elementary tasks in the other trades after receiving 40 hours of training per trade. In exchange for accepting this flexibility, the tradesmen have been given a guarantee that there will be no layoffs as a result of this reorganization.

Since the 1990 agreement on reorganization, the compartmentalization between production and maintenance has also been reviewed. It is understood that operations workers can now perform unskilled maintenance work and, where necessary, assist tradesmen. For example, in the course of our week of observation at the mill, a pump was repaired by a maintenance mechanic, assisted by a production worker and the chief controller of pulp distribution. They worked together for over an hour to unblock the pump.

Previously, in such a situation, the mechanic would merely have opened the pump and checked the condition of the mechanism. Had it been necessary to remove the pipes to make repairs, he would have asked the foreman to call for a pipefitter on overtime and, if the repair had been considered relatively major, he would have asked that another maintenance mechanic be called. If a production worker took it into his head to pick up tools to help in the repair, the mechanical workers would have filed a grievance. The current situation is quite different, and the production workers even have a toolbox in their control room so they can carry out minor repairs.

One other fundamental dimension of work organization, involvement in the work, has undergone a paradoxical evolution. The workers are undeniably involved in their work, in the sense that they spare no effort to achieve optimum results in terms of quality and efficiency. They also have little time to rest at work, given its intensity, and they are frequently called on to consult with each other to resolve quality problems, while the operators co-operate with the tradesmen to solve production problems.

However, far from developing pride in their work and finding fulfillment in their achievements, or even identifying with management and with the Lemaire brothers, the workers now have a very critical attitude towards Cascades management, to the point of bitterness. Involvement in work, according to one worker, can be explained by submission, fed by management's oft-repeated threats to shut down the mill.

> *"...if your job is at stake, you are forced, you are forced to get involved, it's our livelihood. If you no longer have a job in life, you're nothing in today's society. The way the guys react, it's submission, no more than that... The current situation in the mill is just submission."*

Despite their maximum involvement in their work and the transparency of management practices, the workers refuse to participate in any direct method of improving production and quality. Management has tried in vain to introduce suggestion boxes and problem-solving committees.

Company Committee

The company committee was set up in January 1992, at the same time as the introduction of the ISO (International Organization for Standardization) 9002 program. No formal discussions or negotiations were held about the form of the company committee. Management chose a formula that was then introduced with the approval of the union. This committee was subsequently included in the preamble to the collective agreement, during the summer 1993 negotiations, as a result of a compromise reached in the face of union demands for a much greater degree of participation. The committee's composition and objectives nonetheless remained the same, apart from the fact that the presence of a union representative is explicitly mentioned. In the document setting up the company committee, which was prepared by management and not signed by the union, the objectives are set out as follows:

- to create a spirit of teamwork and co-operation;
- to generate interest among the employees by making use of their knowledge and experience in solving problems that concern them directly;
- to discuss major problems, related specifically to operations, and attempt to find solutions;
- to discuss planned investments and their relevance in light of established priorities;
- to discuss trends in orders, complaints from customers and the application of corrective measures;
- to inform the workers fully about the company's financial situation, its progress and its management.

Further, the document states that the committee, to be chaired by the mill manager, "will be composed of employees from the mill and office departments, and representatives of management," adding that "resource persons may attend meetings of the committee as required."

In practice, the committee consists of an equal number of managers and employees. On the management side, there is the mill manager, the director of human resources, the comptroller and two superintendents. On the employee side, there is one representative of each department in the mill (maintenance, machinery and pulp preparation), one office employee and one union representative of the mill workers.

The procedure for appointing members is not yet set out as it is interpreted differently by union and management, revealing an ambiguity regarding the role of the union. Management, for its part, maintains that the employees in each department choose their representative informally. The union side claims that the union executive, with the agreement of the workers in each department, chooses a representative. Interviews confirm the union point of view, as all the workers on the company committee who were interviewed, confirmed that they were approached by the union executive.

A major divergence of opinion is apparent with regard to the role of the company committee. Management would like to turn it into a communications vehicle, while the union would like to make it a mechanism for co-management. In fact, management steers the company committee in accordance with its own objectives. Although the committee's composition reflects management and workers equally, in formal terms, little room is left for the union. The committee is used for improving production methods and is primarily a vehicle for conveying messages from management. It is, in effect, the communications channel that enables management to make the workers aware of the mill's financial and economic situation and of problems with quality and efficiency, and to inform them of management's plans and achievements. This communication of information has two aims: first, to change the workers' attitudes and behaviour towards their work, so that they will work more and better to ensure the survival of the mill, and to persuade them to accept the concessions demanded; and second, to improve the workers' opinion of management.

Over a period of three years and 32 meetings of the company committee, only 70 improvements have been proposed by the workers. The workers participated more actively during the first half of the committee's existence but then became disheartened because they found they were not able to participate in the decisions and direction taken by management.

Labour Relations Conflicts

In the area of labour relations, management has adopted a strategy of using force and ultimatums based on shutdown threats, whereas the union has proposed the introduction of a form of partnership. This is evident from the following incidents:

- In November 1991, the Kraft division was shut down, accompanied by the layoff of 130 employees.

Management made the announcement in a brutal fashion, rejecting union proposals for reorganization aimed at avoiding the shutdown, and criticizing the workers' behaviour in a very severe and unjustified manner.

- In May 1992, 12-hour shifts were introduced, following negotiations in the context of reopening the contract. These negotiations took place under the threat of closing the mill, which seemed very real in view of the closure of the Kraft division six months earlier.

  Only 53 per cent of the workers agreed to this new schedule. Its introduction, which resulted in the disappearance of the relief shift, brought about an increase in average working hours from 37⅓ to 42 per week. This is the equivalent of an 11.2 per cent reduction in the workforce with no reduction in the amount of work, at a time when management had just carried out substantial layoffs.

- In fall 1994, management refused to involve the union in the process of reopening the Kraft Division.

All indications were that management wanted to let the period expire during which the laid-off workers were entitled to be recalled after the shutdown, so as to be able to hire without abiding by the seniority list.

The union was well aware of the impact of the management decisions, especially with regard to the shutdown and reopening of the Kraft Division. It made counterproposals designed to preserve jobs while reorganizing the work and making changes to both operational and strategic management. In 1991, after the shutdown of the Kraft Division and following a survey of its members, the union developed a number of different proposals for reorganizing the work. These proposals involved a reduction in the number of workstations, a flattening of the hierarchical structure, the assumption of responsibility by the workers and the introduction of teamwork. The union proposed a form of co-management, based on the establishment of a company committee composed of equal numbers of union and management representatives that would be responsible for some of the operational as well as strategic decisions. It also designed a program of financial participation by the workers, which would assist in the plant's recovery and give workers a percentage of the stock. All these proposals were discussed and accepted, virtually unanimously, by the members. When they were submitted to management, however, both at the local and senior executive levels, they were for all practical purposes rejected and the union was shut out of the issue.

During the negotiations for the renewal of the collective agreement in 1993, the union demanded greater participation. It initially wanted priority to be given to "the involvement of the workers in the decision-making process in their workplace" and with this goal in mind, the creation of "mutually accepted structures of participation." The union requested the introduction of "any appropriate mechanism to manage change in the organization of work in order to anticipate changes and introduce them in an orderly, gradual manner." Lastly, it proposed that ongoing negotiations be instituted, with the option of amending the collective agreement throughout its life. This last demand was accepted, but negotiations with management considerably reduced the scope of the first two demands.

The principle of involvement was recognized, with the stipulation that "human resources at all levels must become actively and constructively involved in the decision-making process." No mechanisms were instituted to achieve this, however, apart from a recognition of the company committee in its existing form. Moreover, no clause was added regarding the pursuit of aims common to both parties, as is often the case in collective agreements signed against the backdrop of establishing a partnership. Lastly, the traditional clause regarding the rights of management remained intact.

In short, between the union's demands and the negotiated wording of the agreement, there is a major difference in the degree and the purposes of participation. The participation implied in the union's demands has to do with management – participation in decision-making – and involves the organization of work. As set out in the wording of the agreement, it involves improvements to production techniques and work methods and is restricted to suggestions and discussions, with management retaining exclusive decision-making authority.

Work Reorganization Results

After 12 years of Cascades management and a reorganization in late 1991, the results both speak for themselves and are disappointing for the Jonquière board mill. The mill really has been modernized in technological terms and now has one of the most up-to-date multi-layer board machines in North America. The board machine achieves record production, on the order of 400 tonnes per day. Productivity is up considerably: between 1985 and 1995, it increased from 0.78 to 2.53 tonnes per day per employee, and it has doubled since 1991. The scale of the technological changes – attested to by the scale of investment, which amounted to almost $90 million over the period –largely explains these results. The workers, however, have seen their work intensify significantly. Production efficiency, which measures the quality of the product and the efficiency of the operation, has also improved significantly, and over a shorter period, rising from 66.9 to 71.8 per cent between 1992 and 1995. In addition, the number and cost of complaints has dropped. Complaints expressed as a percentage of sales, dropped from 2.33 to 0.97 per cent between 1993 and 1995. The mill became profitable in late 1995. Profits, however, are small, held back by two external factors: the price of Kraft pulp and the debt load, which was again charged to the mill in summer 1995.

The workers have made a major contribution to these productivity gains through the intensification of their work. The cuts to the workforce, moreover, have been drastic. Between 1985 and 1995, the number of employees dropped from 396 to 213, a reduction of almost 50 per cent. The extension of working hours has done nothing to improve matters. The working climate and working conditions in the mill have deteriorated. Management has instituted changes to work organization without really involving the workers and the union. The only form of participation that has been instituted is the company committee, whose mandate and method of operation have given rise to sharp criticism from the workers and the union. As far as labour relations are concerned, there have been no genuine, major changes in traditional relations, apart from a massive shift in the power structure in management's favour.

Failure of Workers Participation

The rejection of direct participation and the virtual failure of participation in the company committee reveal the decisive importance of several factors that can promote or hamper such participation: how it is introduced, the nature of the participation, the nature of the labour relations and the climate of uncertainty. Participation is difficult to implement when it is introduced from above and by management alone. In order to work, the process requires participatory methods of introduction with the involvement of workers and their union. The workers' participation, moreover, soon reaches its natural limits when it is restricted to formulating suggestions. It rapidly becomes depleted if workers are not given the opportunity to acquire real power. After a while, the workers' participation in the company committee became minimal, once they realized that they had no control or power over implementing their suggestions. Although their suggestions were occasionally taken into consideration, the workers were most often confronted with decisions that had already been made.

In addition, there is an inherent contradiction between the type of relations that the players had established and that are required by participation in such a company committee. Labour relations are by nature conflict-oriented, since they are based on confrontation; the parties accordingly have no qualms about brandishing threats and making negative comments to each other. On the company committee, however, the aim is to establish relations based on partnership; co-operation and collaboration on everyone's part are desired with a view to improving the performance of the mill. This contradiction has considerable impact on the credibility of any proposals for participation, both in the company committee and in the structure of the company in general. A change in labour relations would seem to be a prerequisite to the introduction of participation, if the parties are looking for lasting success.

Finally, the general atmosphere of uncertainty has a tendency to inhibit participation. it would appear that uncertainty alone is not sufficient to generate participation; on the contrary, when the uncertainty is too marked, it generates a feeling of discouragement, demoralization and "submission." While uncertainty may undoubtedly play a role as a trigger to make people aware of the need to act differently, it does not necessarily generate participation; it must be accompanied by certain guarantees of security. These guarantees are of two types: on the one hand, in the uncertain economic climate that threatens the survival of the company, firm commitments to the workers are necessary to the effect that every effort will be made and every solution will be considered before any thought whatever is given to layoffs or to closing the mill. There must, on the other hand, be guarantees to the effect that productivity gains achieved as a result of the workers' efforts will not result in layoffs or in a lengthening of the recall list.

Decentralization

Similarly, the principle of decentralization, under which each mill is responsible for its own financial position, investment and financing, plays a variable role, depending on the mill's financial position. When a mill is profitable over the long-term, decentralization has a positive impact: it is conducive to the reinvestment of the profits generated by the plant and makes it possible to enhance productivity, quality and efficiency in order to strengthen the mill's capability to weather difficult periods. On the other hand, in the case of old mills in a deficit position, this principle obliges them to go into debt to the banks in order to modernize and survive.

When a crisis develops, when prices are lower, an enormous effort has to be made, which may well exceed the mill's capability. The debt load becomes so heavy that it seriously jeopardizes the mill's financial position and survival, even when prosperity returns and prices are again at their peak. This situation seriously affects the morale of the workers and gives them the impression that the mill will never be profitable, whatever they do. Is there not a way to lighten the debt burden, by having the corporate headquarters take on a greater share of responsibility? This is the case in more traditional companies, where the mills are treated as cost centres and not as profit centres. There is an inherent lack of fairness in the concept of making the workers shoulder the weight of debt generated as a result of the modernization of the mill. It means considering the workers responsible for the obsolete state of their mill, while the new owners have in fact been compensated for this obsolescence through the price at which they acquired the assets.

Economic transparency

Economic transparency, another major feature of the Cascades philosophy, appears to be a complex phenomenon whose impact was not originally foreseen. For management, it constitutes a way of encouraging the workers to exercise self-discipline and to make concessions in light of the precarious situation of the mill, as revealed by the significant losses shown in the financial statements. Excessive use of this "encouragement," however, dissipates its impact: ultimately, the workers no longer believe the messages of doom and begin to doubt the messenger's credibility. For the union, economic transparency, regarded as a new entitlement, is a way of obtaining vital information with a view to preparing counterproposals about management and strategic development. In revealing its financial statements, however, management exposes its decisions and strategies to critical scrutiny, and its decisions become central in any discussion regarding the mill's survival and development.

The mere fact that such a discussion takes place at all is itself a good sign; it even constitutes a degree of democratization, as well as an incentive to managers to assess more carefully the impact of their decisions on the workers and on the future of the mill. Up to now, however, this discussion has not really been an opportunity to engage all the players in finding more appropriate solutions and mobilizing all energies to achieve them. Instead, it tends to take the form of a confrontation, without any real discussion of the arguments or any genuine co-operation. The argument of force still takes precedence over the force of the arguments. This situation can be explained in part by the fact that the union is not recognized as a full partner. The union reacts by focusing on its criticisms and by questioning the credibility and relevance of management's strategic decisions. The plan to reopen the Kraft Division of the mill is revealing in this regard. The offer of financial participation on the part of the union, based on a well-prepared brief and the commitment of all its members, was not really taken seriously by management.

The place and the role of the union in the company, whether on the company committee or elsewhere (with regard to the quality assurance program, the relaunch of the Kraft Division or any other issue), took on the appearance of a key issue. While the union was unfolding a proactive strategy with its counterproposals and was displaying a desire to participate in the decision-making process, all the while aware of the constraints of efficiency and profitability, management was rejecting the proposals for union participation.

Partnership Conflicts

Management, for its part, is not adamantlly anti-union: it is prepared to accept the union, albeit with the proviso that the union acquiesce in management's plans rather than oppose them. Management would like to see the union restricted to the traditional role of acting in defence of the workers' pay and working conditions. Management thinks the union should be revamped to take into account the unique situation of the mill, so that the union's demands would be adjusted accordingly and the necessary concessions accepted as required. But even revamped, the union would leave to management exclusive decision-making power regarding the organization of work and the management of the mill, in accordance with the traditional framework of labour relations.

The union does not accept the role management would like to give it. The serious consequences that management's decisions have on its members, in terms of job losses and an increase in workload, prompt it to intervene in an attempt to find more appropriate solutions and to contribute to obtaining better results. It would thus like to extend the scope of its action in the area of the organization of work and the management of the company. Management rejects this. This refusal is based partly on a misconception of union activity. Management still views union activity as consisting of 1970s-style warfare, where the union aims to obtain, through confrontational strategies, the maximum for its members in the short-term, completely oblivious to the situation of the mill, however precarious it may be. Management is incapable of measuring the evolution that has taken place inside the union and regarding it as a credible partner.

This conflict over the role of the union is continued on another battlefield, that of legitimacy. Management adopts practices that may be interpreted as an attack on the legitimacy of the union. In its attempts to introduce forms of participation, such as suggestion boxes and problem-solving committees, it appeals directly to the employees, without involving the union. Within the company committee, it tries to speak directly to the workers and refuses to acknowledge the strategic role played on the committee by the union, specifically in choosing members who want to participate. This is a major irritant that poisons the atmosphere. In order to demonstrate its legitimacy, the union tries to control the workers' participation in the company committee. It intervenes, against the wishes of management, in the economic and financial management of the company by questioning the rationale for management decisions and strategies. All this results in a questioning of management's legitimacy. The union and management sides thus find themselves engaged in a war of legitimacies, in which each side asserts its own legitimacy while disputing that of the other.

Recognition of the legitimacy of the other side constitutes an essential precondition to establishing a genuine partnership. Such a partnership would consolidate and strengthen the efficiency and quality acquired at the cost of so much effort. What will happen in the absence of a true partnership? Will efficiency and quality reach a ceiling or even decline because of exhaustion and disinterest on the part of the human resources, a trend that is unfortunately already becoming apparent?

WORK REORGANIZATION AT THE SCOTT-KRUGER PLANT IN CRABTREE, QUEBEC, 1992-1997 [1]

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This is a case study of an experiment in work reorganization conducted at a paper plant in Crabtree, Quebec, over the period 1992-1997. The experiment continued throughout the period despite the large reduction in production costs imposed in 1994 by the management of the multinational which owned the plant, Scott Paper Ltd. This rationalization was followed, in 1995, by the sale of the company's assets to Scott's leading global competitor, Kimberly-Clark, which in turn sold Scott's three former Canadian plants (in Crabtree, Hull and Vancouver) to Kruger Inc. in 1997. Kruger's headquarters are in Quebec.

The analysis concerns the conditions that were conducive to union involvement in the work reorganization; the implementation process; the difficulties encountered; the main organizational changes; and the factors that enabled union involvement to continue throughout the period. The information was drawn on a variety of management and union documents as well as collective agreements and letters of agreement between the parties over the past ten years. Further knowledge was gathered during interviews conducted in 1994 and 1995 with two management representatives and nine union representatives; interviews with two of the union representatives were updated in early 1997.

Characteristics of the Crabtree Plant

The Crabtree plant went into operation in the 1930s. It belonged to Scott Paper Ltd. until Scott's assets were acquired by Kimberly-Clark in 1995. In 1997, Kimberly-Clark sold the right to use its trademarks as well as the three former Scott Canada plants (in Crabtree, Hull and Vancouver) to Kruger Inc., a Canadian paper producer. In early 1997, the Crabtree plant employed 534 blue-collar workers, who were represented by a single union affiliated with the Confederation of National Trade Unions' Fédération des travailleurs et travailleuses du papier et de la forêt (federation of paper and forest workers).

The Crabtree plant produces wrapping tissue, which is then processed into toilet paper and paper towels. Average production in 1996 was about 175 tonnes per day. To compare this output with that of other firms in the pulp and paper sector, it is important to bear in mind that wrapping tissue is lighter than newsprint or fine paper. According to information provided by representatives of the employer, productivity at Crabtree compares favourably with productivity at other plants producing wrapping tissue in Canada, and the quality index of Crabtree products is over 95 per cent.

Production at Crabtree is divided into four areas. The first includes raw materials processing, technical control, pulp preparation and water purification. The technology used to process the secondary fibres, installed in the early 1990s, is state-of-the-art, however, the technology used to prepare the pulp is old and, according to some of the union representatives interviewed in 1994 and 1995, obsolete. The second area contains the paper machines where the tissue is manufactured. Some of the machines date back to the 1930s; generally speaking, there has not been much investment in this sector in recent years. In the third area, finishing, the tissue is processed into the company's various products (toilet paper, paper towels). The finishing department has the latest technology. The fourth and final area is shipping, where operations were computerized in the early 1990s.

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[1] This study has been assisted by a grant from the Humanities and Social Sciences Council of Canada for research on the experiments involving union participation in managing work organization conducted by Confederation of National Trade Unions and affiliated unions.

The plant's financial performance has improved continuously over the past ten years. The only deficit can be attributed to the cost of a special early retirement plan introduced in 1994. Crabtree products are mainly sold in eastern Canada (Ontario, Quebec and the Atlantic provinces); less than a quarter of the plant's production is exported to the United States. Scott's products are leaders in the Canadian market, with about 40 per cent of the household paper market. Their main Canadian and United States competition comes from Kimberly-Clark, James River and Irving.

The union and management representatives interviewed for this study think labour relations and communication between the two parties are good. There have been no labour conflicts at the Crabtree plant over the past 20 years. The annual number of grievances has declined from 13 in 1990 to four in 1996, and no grievance has gone to arbitration for the past 30 years. Collective bargaining over the past decade has led to agreements concluded without open conflict or pressure tactics, except in 1990 when management's so-called final offer was rejected by 92 per cent of the union members. However, an agreement amending the offer was ratified by 76 per cent of the members present at a union meeting. Between bargaining rounds to renew the collective agreement, the parties use a form of continuous bargaining, and this has produced numerous letters of agreement on specific matters since the early 1990s.

Strategic Choices

According to the union and management representatives interviewed in 1994 and 1995, the main factors that led the parties to embark on joint management of work organization in 1992 were the plant's deteriorating competitiveness, a desire to save jobs by improving efficiency and productivity, and (in the case of a majority of the union representatives) a wish to participate in decision-making regarding work organization. Most of the union representatives believe that the changes in work organization were necessary, and that their main objectives were achieved without the employer having to resort to layoffs.

The Crabtree plant has been affected by several strategic decisions made by the various management groups that have been running the firm in recent years. In 1994, for example, Scott Paper Ltd. announced a three-year restructuring plan involving a 25 per cent reduction in staff employed at all its plants (over 8,000 employees worldwide). A few months later, there was a new president and the restructuring deadline was reduced to three months instead of three years. Then, just before the assets were sold to Kimberly-Clark in 1995, Scott Canada concentrated the manufacturing of products for commercial use at the Hull plant, which resulted in positions being cut and one department being shut down at the Crabtree plant. At the time of the 1994 restructuring, management also decided to abandon production of disposable diapers, which resulted in the permanent closure of a department which had already seen significant staff reductions in 1991 and 1992.

Strategic decisions regarding technological modernization at the Crabtree plant were mentioned briefly in the previous section. Analysis of relevant information suggests that some departments, notably finishing, have seen significant investment in machinery acquisition, and this has maintained the competitiveness of products made at the plant. However, the paper machine and pulp departments have not had major new investments; they are still operating with technologies and equipment which have not been modernized for the past ten years.

Since 1992, strategic decisions that pertain to human resources have been less important than those pertaining to technology, because labour and management have maintained good working relations at the Crabtree plant over the past 20 years. For many years now, a union representative has been released on a full-time basis to serve as health and safety officer, and both sides are pleased with their joint efforts in this area. Scott senior management has always enjoyed good relations with its unions, and many of the company's North American plants have been the scene of joint union-management experiments over the past ten years. Also, Scott organizes an annual meeting in Chicago where union and management representatives from each plant in the United States and Canada are asked to report on innovations in labour relations. According to the union and management representatives interviewed in 1994 and 1995, Scott senior managers have always supported co-operative experiments at the company's plants, and during the preliminary meetings before the current experiment began in 1992, they encouraged managers and employees at Crabtree to adopt participatory management practices.

Process of Organizational Change

After two decades of harmonious labour relations at the Crabtree plant, union and management representatives embarked on a co-operative experiment in work organization in the early 1990s. According to the union representatives interviewed in 1994 and 1995, the union local was influenced by positions taken by the Confederation of National Trade Unions at its congresses in 1990 and 1992. It should be noted that the parties initiated their experiment before Scott Paper management imposed negotiations, in 1994, at all of its North American plants in order to carry out its worldwide restructuring plan. Union and management representatives at Crabtree began discussions in 1992, and an agreement was reached in January 1993. The agreement provided for union-management co-operation through a joint committee, but no specific or quantifiable objective was included and no deadline was set. The agreement also stated that no change would be made in work organization without prior agreement between the parties. This allowed the parties to gradually set up support structures for experimentation with new forms of work organization.

In April 1993, union and management representatives visited two Scott plants in the United States to gather information on existing cooperative experiments in work organization. In July, these same representatives attended the annual meeting in Chicago. In August, members of the joint committee attended a conference on employee empowerment in Montréal. They then initiated a process to select a consultant to assist them in implementing a work reorganization program. After meetings with management and union representatives at three locations where experiments had been under way for several months, in September, the committee hired an outside consultant specializing in organizational development. In December, the consultant led a consultation process involving managers and employees at Crabtree in order to make an organizational diagnosis and develop a plan of action to improve efficiency and productivity.

In January 1994, the situation changed radically when Scott Paper management introduced a three-year restructuring plan that involved a 25 per cent reduction in staff worldwide. At first, the Canadian plants were not included, because Scott Canada had reduced its staff by 15 per cent over the previous three years, but in February, Scott Paper imposed cost reductions of $150 a tonne, and the Anderson firm was hired to prepare an action plan to achieve this objective. The co-operative process at Crabtree was interrupted pending the results of the Anderson evaluation. Following a restructuring agreement between union and management in November 1994, the activities of the joint committee resumed.

A further important strategic change occurred in April 1994, when a new president was appointed at Scott Paper. Each plant was asked to present its cost reduction plan within three months. The Canadian plants thought they were excluded, but in August they were told that they too had three months to submit their plan. The measures proposed by Scott Canada to reduce production costs and increase operating revenues involved rationalizing operations at plants in eastern Canada, reducing staff, and reorganizing work at all plants to improve production efficiency.

Management at Crabtree proposed cutting 155 jobs, 125 of which were filled by unionized employees. The union reacted quickly, and at a general meeting two days after the meeting with management, it received a mandate to negotiate a restructuring plan that would limit job losses. Several solutions aimed at minimizing job losses were suggested by the union leadership and ratified by the members: a special early retirement program, abolition of overtime, work sharing, a reduced work week and leave without pay.

Negotiations on cost reductions took place between August 29 and November 30, 1994. During this period, the local at Crabtree kept up its contacts with the locals at the other Scott plants in Canada in order to co-ordinate demands. The list of conditions for union participation in the restructuring process, submitted to Scott Canada, and agreed on by all locals, included voluntary early retirement between age 55 and 65, with an incentive bonus of $500 per month and continued group insurance benefits at the employer's expense; severance pay for employees under 55 equivalent to two weeks' salary per year of service plus a separation incentive based on seniority; and the opportunity for employees to reduce their work week by four hours.

Once management had accepted the conditions for union participation in discussions on restructuring, an agreement was reached. The agreement, reached on November 30, 1994, included the following measures to reduce the impact of staff reductions: early retirement beginning at age 55 without actuarial penalty, a four-day work week followed by two days off for departments still operating on a five-day week schedule; voluntary part-time work in order to share jobs; and employee turnover arising from voluntary departures to be governed by seniority at the plant. Union members at Crabtree also accepted a pay reduction of 1.75 per cent between December 1, 1994, and April 30, 1995, as well as suspension of the pay increase of 1.75 per cent specified in the collective agreement for May 1, 1995, until such time as the additional funds spent by the employer on the early retirement plan were covered.

A union-management steering committee coordinated the implementation of the changes in work organization. The committee, created by the 1993 letter of agreement on cooperation, consisted of three union and three management representatives. Its general mandate under the 1993 agreement was to identify the main problems in work organization and develop solutions that might improve competitiveness and long-term growth at Crabtree. The committee co-ordinated the work reorganization flowing from the restructuring plan agreement negotiated by the union executive in 1994 with Scott Canada. (The restructuring did not change the 1993 letter of agreement.) A new letter of agreement on work reorganization was incorporated in the collective agreement in 1996. This provides for a joint committee whose roles are essentially the same as those specified in the 1993 agreement, and sets out principles and common values that confirm the role of the union in managing work organization. The letter also establishes a minimum number of employees in each department, as negotiated in the 1994 restructuring agreement.

Other joint committees were created following the 1994 restructuring plan. Six departmental committees were set up in late 1994 to implement the decisions of the steering committee. They were made up of representatives of management, the union and the workers in the departments concerned. While their mandate was to operationalize the restructuring measures proposed by the steering committee, they had latitude to make changes in the committee's plan to take into account specific needs identified in each department. Other ad hoc committees were also formed, with mandates to solve individual problems; these were abolished once their work was done. Three committees: Sludge Transport, Warehouse Organization and Quality developed action plans on specific problems, plans which were then carried through by the steering committee.

Organizational Changes

The changes at Crabtree since 1993 mostly concern work schedules, work organization, human resources management and industrial relations. The work schedule changes introduced in 1994 sought to limit the number of layoffs caused by the restructuring plan. The introduction of a four-day work week followed by two days off was not an innovation, since many departments were already operating on this schedule, but it did open the door to a reduced work week for employees in the departments concerned and it reduced the number of job losses associated with the restructuring.

Between 1992 and 1997, major changes in work organization were introduced at Crabtree. In the finishing area, job classifications were merged in order to increase workers' versatility, and the workers were now qualified to perform every job in the department. The biggest change was in case loading, a job that was radically transformed in 1993 with the introduction of new equipment which meant that the operator was now responsible for the entire machine. In 1995, semi-autonomous work groups were created in the finishing department, which accounts for about 50 per cent of the plant's employees. In the warehouse, billing had previously been done by the foremen but was now done by the shippers. Furthermore, all employees in this department now had an additional task: the position of stock handler had been abolished, so now everyone had to drive the forklifts when necessary. Minor changes in the paper machine area simplified employees' tasks, but this reduction in workload was offset by the job of handling the rolls of paper. The number of foremen was reduced as of 1994, and their role was changed to that of resource person. There was no major change with regard to the flexibility of skilled trades employees, according to the union and management representatives interviewed, but it should be noted that they are more versatile than at most other pulp and paper plants in Quebec.

Human resources management practices were also changed pursuant to the 1994 restructuring plan. Starting that year, annual training hours were increased and two types of training were provided under the work reorganization. First, there was training related to the reorganization itself, such as training in financial analysis for the union executive, and training in problem-solving for members of the steering committee and the departmental committees. Second, many employees needed technical training as a result of the changes in certain jobs as well as employee turnover. Most of this training was given at the plant, but for some specialized tasks it was given externally, because equipment or trainers were not available in-house.

With regard to labour relations, the period 1992-1997 was characterized by an improvement in the already harmonious union-management relations that had existed for many years. Representatives of both parties interviewed in 1994 and 1995 stated that during the 1980s there were no special problems in applying the collective agreement, and that grievances were few in number and were resolved without arbitration. The changes of the 1990s led to greater co-operation between the parties and a change in the approach to collective bargaining. Joint management of work organization, initiated in 1992, has continued to this day and was formally recognized in the 1996 collective agreement. Since the early 1990s, the parties have used continuous bargaining, and when the collective agreement comes up for renewal, they use a less confrontational approach. Thus in 1996, an agreement was concluded in less than ten bargaining sessions, and the union members accepted a five-year agreement. The three previous rounds of negotiations had required 20 sessions, and no more than a three-year agreement had been negotiated. These changes in collective bargaining, and in work organization, were doubtless connected with the difficult economic context and the insecurity arising from the sale of the plant.

Results

Financial Outcomes

The main financial outcome of the work reorganization at Crabtree has been a significant drop in production costs since 1994. This is attributable to an increase in mean daily production, despite reduced annual working hours since the restructuring plan was implemented in 1994.

Production Efficiency and Product Quality

The work reorganization has increased production efficiency for several reasons: improved teamwork, reorganization of the warehouse, less loss of time, and better equipment. According to the union representatives interviewed in 1997, production capacity had increased by 30 per cent, to 125 tonnes a day, and shipping efficiency had increased 20 per cent in 1994 and 1995. In August 1997, productive capacity had risen again, this time to 175 tonnes per day, resulting in a daily production increase of more than 70 per cent since 1994.

With respect to quality, it is hard to make any definite statement because workers in the various departments have been doing quality control for less than three years. According to the union representatives interviewed in 1997, quality declined after the disappearance of the quality control department, but then returned to previous or even higher levels as a result of worker training.

The union representatives also think that the quality of the equipment, and its maintenance, have improved since the 1994 restructuring. They say the operators have gained a better technical knowledge of the machines, so that they can detect defects and notify the maintenance staff, engineers and other operators, thus reducing the frequency of production stoppages. New equipment has also made it possible to improve machine performance; an example would be the purchase of pneumatic tools to help change the polythene rolls during finishing. However, it seems that the reduction in the number of maintenance employees since 1994 has had a negative effect on preventive maintenance, and this has, in part, cancelled out the productivity gains resulting from the broader range of tasks performed by operators.

Organizational Outcomes

As regards unionization, the average monthly number of dues-paying members dropped from 522 in 1990 to 482 in 1995 but then rose back up to 534 in January 1997. The 1994 restructuring had little effect on employment levels at the plant because the four-day/two-day work schedule combined with the reduced work week and work sharing meant that the average monthly number of unionized employees declined from the 1994 level by only about twenty in 1995 and 1996.

There were no significant changes in union-management relations at Crabtree following the work reorganization that began in 1993, because the parties had had a co-operative approach for many years. However, the work reorganization did increase the frequency of union-management meetings so that progress on various issues could be better monitored.

The negotiations related to the restructuring plan in 1994 demonstrated the union's dynamic leadership to Scott Canada's head office. Also, the Crabtree local played an important role within the group representing the unions at all Scott plants in Canada. The group met with Scott Canada senior management on two occasions to negotiate the conditions for discussions on the 1994 restructuring plan.

There were no major changes in the collective bargaining process after 1992, because union and management already co-operated and communicated with each other. However, union demands were better defined, and the parties were more forthright in the information they exchanged during the 1996 negotiations. The union representatives do think it is still necessary to maintain a power relationship vis-à-vis the employer, and they believe the union leadership can get the membership to reject unsatisfactory management offers at a general meeting, as happened in 1990.

Employee Outcomes

For many of the workers, job content has changed over the past five years: jobs have been enriched or the range of tasks to be performed has been broadened. The result is multi-skilling and greater responsibility for the workers in finishing, and greater versatility for the skilled tradesmen in the maintenance department. Technological changes have also changed the duties of some workers. Workloads have grown, mainly in finishing and in maintenance. Qualifications for most jobs have risen, resulting in longer training period for new employees, and in many cases, supplementary training for older employees.

The workers have become more involved in the routine management of operations since work reorganization was implemented in 1993. They are more involved in decisions concerning the organization and execution of their work. Also, about 60 employees sit on standing joint committees, and most employees participated in meetings about work reorganization that were arranged in 1995 by the departmental committees to inform them about the steering committee's projects and to receive their suggestions. The work reorganization has increased individual responsibilities, according to the union representatives interviewed in 1997, who also thought that workers are now more often consulted by foremen, and more often help each other.

With respect to worker satisfaction and motivation following the work reorganization, the interviews with union representatives in 1997 revealed that the workers are happy to have kept their jobs during the 1994 restructuring: originally 125 positions were to be cut, but this was reduced to about ten and there were no layoffs. The workers also feel that their expertise is better recognized and they are consulted more often, which increases their motivation and fulfilment. Job enrichment has increased satisfaction for many workers, especially the case loaders, who used to do repetitive work and are now operators with increased responsibilities. Some changes, however, have led to dissatisfaction, notably the switch from a five-day/zero-day to a four-day/two-day schedule, which has radically transformed workers' lives outside work. Yet despite the inconvenience, the affected employees recognize that this change made it possible for more workers to keep their jobs. The union representatives we interviewed in 1997 added that the sale of the plant during the period of work reorganization in 1995 and 1996 created insecurity among the workers, who were then very happy when Kruger bought it in 1997.

Success Factors and Assessment

A variety of factors contributed to the success of the experiment in joint management of work organization undertaken at the Crabtree plant in 1992. First, the good labour relations over the preceding ten years prepared the parties for union-management cooperation. Second, the Scott Paper head office assisted this type of initiative by holding a yearly meeting at which management and union representatives could discuss their experiences. Third, the direction taken by the Confederation of National Trade Unions in the early 1990s had a favourable influence on the decision by the Crabtree local to get involved in managing work organization.

The parties at Crabtree had initiated a co-operative approach before Scott Paper senior management announced the 1994 restructuring plan. In 1992, there was no outside body forcing a work reorganization according to a specific plan and schedule. From the outset, the parties sought to provide a solid basis for their joint project. They began by studying experiences at other Scott plants. Then they selected a consultant to guide them in developing and implementing a plan. The result of this structured approach was that when Scott Paper did announce its restructuring plan in 1994, no changes in work organization were made at

Crabtree. Instead, organizational changes were introduced under the joint responsibility of both parties and under the terms of an agreement containing measures to offset the job cuts arising from the restructuring.

The agreement negotiated at Crabtree in 1994 not only avoided layoffs; it also resulted in the hiring of new employees and a significant drop in the cost of operating the plant. This outcome was possible because the employees accepted reduced working hours without compensatory pay to maintain the maximum number of jobs, and they also accepted a pay reduction in 1994 and a pay freeze in 1995 to fund the special early retirement plan that had been set up to encourage voluntary retirement of workers over 55. The organizational changes that were implemented as of 1995 under the guidance of the union-management committee helped attain a substantial improvement in productivity. The co-operative approach undertaken back in 1992 facilitated the negotiations surrounding the 1994 restructuring plan. The work reorganization initiated in late 1994 opened the way to team-based production and to greater employee involvement in the everyday management of operations. The agreement resulting from the 1996 round of collective bargaining, ratified by more than 95 per cent of the members, confirms the success of this co-operative approach. It provides for average pay increases of 2.5 per cent per year for a period of five years and retains the joint committee that was created in 1993, but with extended powers regarding continuous negotiation of organizational changes.

In summary, harmonious labour relations over more than 20 years at the Crabtree plant were a great asset when it came to implementing a joint approach to organizational change in the early 1990s. This joint approach was then continued despite the rationalization plan imposed in 1994. During the negotiations surrounding this plan, the company's demands for reduced production costs led to staff cuts that were much less significant than originally expected. Employees agreed to reduced working hours and lower pay to reduce job losses among union members. The work reorganization that was implemented under the agreement featured significant changes in employees' responsibilities for managing production as well as their responsibilities within their work teams. This experience shows that employees are more likely to participate in improving quality and the organization of production when both the employer and the union agree, to negotiate measures that will minimize job losses arising from work reorganization.

THE SOCIAL CONTRACT EXPERIMENT AT THE ATLAS STAINLESS STEELS PLANT IN TRACY, QUEBEC, FROM 1991 TO 1998

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This case study traces the history of the union-management co-operation experiment implemented by the "social contract" agreement negotiated in 1991 at the Atlas Stainless Steels plant in Tracy, Quebec. The agreement was part of a more than $300 million modernization project that was to create over 300 new jobs. The period of industrial peace, originally expected to last for six years, was extended in 1995 for three additional years despite the postponement in 1992 for an indefinite period of the planned investment, thereby jeopardizing the creation of new jobs. The negotiations in 1996 were made difficult because of the financial problems of the Korean multinational Sammi Steel Co. Ltd., the owner of the Tracy plant. These problems, which led the company to seek bankruptcy protection in 1997, contributed to the shelving of union-management cooperation, which remains dependent on the firm's financial consolidation. Nevertheless, the parties reached an amicable agreement on the monetary aspects of the collective agreement that expires in 1999.

The information contained in this study comes from various union and management documents, from interviews conducted in 1994 with two management representatives and from three members of the board of directors and five activists (four department representatives and one former member of the board of directors) of the Syndicat des employés des Aciers Atlas, affiliated with the Confederation of the National Trade Unions, which represents the salaried production workers at the Atlas Steels plant in Tracy. Updates were done in the fall of 1996, in March 1997 and in January 1998 in cooperation with a management representative and two union representatives.

This study is in three parts. The first part briefly outlines the background, the trends in production and number of employees, and the unions represented at the Atlas Stainless Steels plant in Tracy. The second part consists of an analysis of the union-management co-operation experiment at Atlas Steels from 1990 to 1998. The third part provides an overview of the principal organizational innovations introduced at the plant in the wake of the 1991 social contract, as well as at the impact of these changes on organizational effectiveness and staff relations.

Characteristics of the Atlas Stainless Steels Plant in Tracy

The Atlas Stainless Steels plant was established in Tracy in 1962 by the American multinational Rio Algom, which also had another industrial plant in the steel sector in Welland, Ontario. In 1985, Atlas Stainless Steels became an independent division of Rio Algom and, in 1989, the firm was put up for sale and acquired by Sammi-Atlas Inc., a subsidiary of Sammi Steel Co. Ltd. of South Korea, a major producer of specialty and stainless steel. Sammi Atlas Inc., with industrial plants in Tracy and Welland, was then formed as a separate corporate entity whose shares were wholly owned by Sammi Steel Co. Ltd.

The Tracy plant specializes in the production of stainless steel in strips and rolls. There are three stages in the stainless steel manufacturing process; the first involving the steel mill department where steel slabs are melted and manufactured from nickel, chromium and scrap steel. In this department, the main technology involves the melting of steel in electric arc furnaces that have been in operation for some 30 years. The second stage involves the transformation of slabs of steel into strips and rolls in the hot mill department. The primary piece of

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– *This study was conducted as part of research funded by the Social Sciences and Humanities Research Council under the direction of Professor Reynald Bourque of the School of Industrial Relations of the Université de Montréal.*

equipment in this department is the planetary rolling mill, which is a very advanced technology, according to the management representatives interviewed in the course of this study. It seems that the planetary rolling mill at the Atlas plant is unique in North America and that this technology is very uncommon worldwide; in fact, it is found at only one other steel plant, in Japan. The technological advantage conferred by this mill is apparently one of the reasons the Korean firm Sammi acquired the Tracy plant in 1989. Finally, the finishing department laminates, cuts, finishes and ships the strips and rolls. There are also production support services such as maintenance, quality control, storage and shipping.

The Atlas Steels plant in Tracy is the only manufacturer of flat stainless steel products in Canada. In 1996, it delivered over 80,000 tonnes of stainless steel in rolls and strips and had a turnover of nearly $200 million. In the same year, the plant exported more than 25 per cent of its annual production, mainly to the United States and Korea. Until now, the firm has had to compete with foreign manufacturers in the export market, but has had a near-monopoly in the Canadian market. Today, domestic competitive pressures are increasing because of the proliferation of new, ultra-modern, non-unionized plants in the United States and the forthcoming abolition of customs duties on the product. ISO (international standardization organization) quality standards were introduced at the Tracy plant in recent years. The laboratory where quality control takes place has been ISO certified since 1993, and the plant obtained ISO accreditation for its finished products in 1996.

In 1996, the plant employed approximately 670 regular, full-time workers: 215 white-collar employees, 75 of whom were office workers; 445 blue-collar employees, including 300 non-specialized workers and 145 specialized degree holders; and eight security guards. Employees were members of three separate accreditation units. The 445 production employees were represented by the Syndicat des employés des Aciers Atlas, affiliated with the Confederation of National Trade Unions. In April 1991, this group reached the first "social contract" type agreement in Quebec; this process and its aftermath are the subject of this study. As for the office workers and security guards, they were represented by unions affiliated with the Fédération des travailleurs du Québec. These two unions endorsed a proposed agreement in May 1991 that contains the same terms as the "social contract" concluded with the Confederation of National Trade Unions. The number of members of the Syndicat des employés des Aciers Atlas increased from 370 in 1985 to 411 in 1990 and to 461 in 1992, stabilized at around 445 salaried workers from 1993 to 1996 and then again fell to 411 in 1997.

History of Union-management Co-operation at the Atlas Steels Plant in Tracy

The "social contract" agreement in April 1991 launched a union-management co-operation experiment that reflects the major changes characterizing the plant's economic and financial situation during the period: the suspension of the investment plan that was at the heart of the 1991 social contract and the financial problems of Sammi Atlas Inc., which was placed under the protection of the Companies' *Creditors Arrangement Act* in March 1997. Our analysis of the history of the experiment, covering the period 1990 to 1998, distinguishes seven phases: the initiation of change, the negotiation of the social contract in 1991, the unravelling of union-management cooperation in 1992, the renewal of the collective agreement in 1993, the extension of the social contract in 1995, the salary negotiations of 1996, and the financial crisis of 1997 and 1998.

Initiation of Change: 1990 to Early 1991

The collective labour agreement between Atlas Stainless Steels and the Syndicat des employés des Aciers Atlas expired on November 30, 1990. In May 1990, representatives of the two parties began traditional collective bargaining by referring to the steel industry "wage pattern" negotiated in Ontario and Quebec by the Steelworkers Union of America, affiliated with the Canadian Labour Congress. These negotiations proved difficult, and in October 1990, the employer called upon a conciliator from the ministère du Travail du Québec (Quebec department of labour), whose intervention was productive with the signature of a new collective agreement in February 1991.

At the time, Quebec was in an economic recession. Plant closings proliferated and the unemployment rate in the Sorel-Tracy region climbed to nearly 15 per cent. According to the management and union representatives interviewed, however, the Atlas Steels plant was not in a precarious economic situation, unlike many other firms in the metallurgical sector in Quebec. It still had a large share of Canada's stainless steel market and its deliveries to the American market were on the rise. However, the free-trade agreements between Canada and the United States, and then with Mexico, substantially changed the rules of competition in the domestic market. More intense competition for their product was predictable, according to the representatives of both parties, because of the abolition of customs duties on steel, scheduled for 1998.

Shortly after the signing of the collective agreement between Atlas Stainless Steels and the Syndicat des employés des Aciers Atlas in February 1991, the Quebec government minister responsible for the ministère de l'Industrie, du commerce et de la technologie (department of industry, trade and technology), Gérald Tremblay, organized a meeting with representatives of both parties. The purpose of the meeting was to submit to them the conditions for government participation in a $300 million plant modernization project proposed by the employer. The Société de développement industriel (industrial development society), under the guidance of the department of industry, trade and technology, offered a loan guarantee of up to $105 million for the project, subject to obtaining an industrial peace guarantee for a six-year period.

The parties had just reached a good collective agreement, in which the unionized workers received an overall wage increase of 60¢ per hour for 1991. The union officials, who had been made aware of the department of industry, trade and technology plan in December 1990, believed they had nothing to lose in looking at what the government and the employer had to propose. The union steering committee sought and was given a strong mandate from members to undertake this tripartite negotiation with the company and the department.

Negotiation of the Social Contract: February to April 1991

A few days after the signing of the collective agreement in February 1991, the management and union representatives met with Minister Gérald Tremblay in the presence of a conciliator from the department of labour, to begin negotiating the "social contract," as Minister Tremblay termed it. In March 1991, after nine negotiating sessions, the union executive committee recommended the social contract agreement to its members at a general meeting. The members voted by a majority of nearly 85 per cent in favour of the agreement. It was then signed by the management and union representatives but remained secret until Premier Bourassa's official announcement, on April 8, 1991, of government assistance for the modernization plan for the Tracy plant.

The agreement provided for renunciation of both strike and lockout tactics until November 1996; the maintenance during this period of at least 411 positions, corresponding to the number of regular salaried workers on the date of the agreement; the arbitration of final offers in case of disagreement on monetary clauses when the collective agreement expiring in November 1993 was renewed; the creation of an industrial relations committee that would have equal representation and would facilitate the adjustments required to introduce changes arising from the modernization; and the establishment of a human resources development plan and a total quality plan.

The union representatives interviewed in connection with this study emphasized that, because of the major innovations provided for in this agreement (e.g., arbitration of final offers, total quality), they believed that a new era in labour relations had just dawned at Atlas Steels. The key element of the agreement, according to the union representatives, was the planned $300 million investment to modernize the plant. In addition, the floor of 411 jobs provided for in the agreement was an important element of the social contract for the union and its members.

Unravelling of Cooperation: November 1991 to August 1992

In November 1991, a few months after the signing of the social contract, the management of Sammi Atlas Inc. notified the union that the plant modernization project had been postponed indefinitely, because of a decline in the markets served by the plant in Tracy. Union representatives indicated that a feeling of uncertainty then developed among all plant staff due to doubts raised by the investment deferment announced by the company. A number of members questioned the social contract concluded earlier in the year, feeling betrayed by the company. In addition, both management and union representatives were highly critical of the wait-and-see attitude adopted by the department of industry, trade and technology representatives, who had masterminded the much-publicized agreement. Several union representatives reported that these events seriously disturbed the mutual trust that had been established between management and the union.

Following the investment deferment, management and union representatives at the plant were very concerned about the maintenance of the social contract. Because the social contract (Section 4.02) provided for cancellation of the agreement if the anticipated investments were not made by May 31, 1993, the union could have cancelled it. But when questioned in 1994, the union representatives noted that it would not have been in the union's interest to do so, since this would have further threatened members' job security. Union representatives felt that if the planned investments were not made, the minimum job guarantee would be essential to retain members' jobs. Therefore, at the general meeting in May 1992, the union's executive committee sought and obtained a mandate to retain the minimum job guarantee stipulated in the 1991 agreement.

To resolve the crisis brought on by the investment deferment, the parties jointly requested the assistance of the department of labour conciliator who had helped them close the 1991 social contract. (The social contract provided for help from a resource person appointed by the department of labour, when necessary.) The conciliator served as a facilitator between the parties and led them to examine possible solutions to the impasse. A compromise was reached, whereby, in August 1992, the union proposed to management that a memorandum of understanding be established in order to protect the minimum job guarantee. Management accepted this suggestion, and a memorandum was signed to ensure the validity of the social contract in spite of the investment deferment. Section 4 of the memorandum signed on August 7, 1992, reads as follows: "*DURATION OF THE AGREEMENT: This agreement takes effect immediately and remains valid until November 30, 1996. The parties regard the investments made to date and those already announced as concrete investments of the type intended at the time of signing Annex M.*"

Renewal of the 1993 Collective Agreement

The special round of bargaining for renewal of the 1993-1996 collective agreement began in June 1993, five months before the collective agreement was to expire on November 30, 1993. This round of negotiations necessitated 18 meetings over four months, from June 12, 1993 (submission of union proposal to employer) until October 22, 1993 (acceptance of employer's final offers at the general meeting).

With regard to the steps taken and methods used to settle the differences in this special round of negotiations, it should be remembered that the parties had agreed in the social contract to a six-year period of labour peace, up until 1996. In addition, the social contract had included a mechanism for renewing final monetary offers through arbitration, if no agreement was reached within the time period stipulated in the agreement. The parties did not have to resort to arbitration of final offers as they were able to reach a negotiated settlement. In October 1993, the parties asked the department of labour conciliator to help them reach a collective agreement amiably. The conciliator who worked with the parties knew them well from having participated in the social contract negotiations in 1991. The collective agreement, reached after only 10 or so negotiating sessions, was signed on November 19, 1993, just 11 days before it was due to expire. The management and union representatives who took part in this negotiation indicated that the parties tried a new approach during this special round of negotiation, seeking win-win solutions.

One of the key issues in this round of negotiations was the group insurance plan. The union responsible for administering this plan, based on fixed employer contributions, arranged for the insurance plan to be managed by a six-member joint committee. The employer committed to contributing 70 per cent of all costs from then on (rather than contributing a fixed amount for each employee). The union also negotiated a gradual increase in monthly retirement allowances in 1993 and 1994. Union members also got a profit-sharing plan, included in Annex N of the collective agreement, giving employees a three per cent share of operating profits based on the number of hours worked per employee in 1994. The same profit-sharing mechanism was in place for operating profits in 1995, and for 1996 the share in operating profits would be based on factors to be determined at a later date.

Extension of Social Contract in 1995

In October 1995, 86 per cent of the members of the Syndicat des employés des Aciers Atlas approved the extension, until November 30, 1999, of the guaranteed labour peace stipulated in the 1991 social contract, and agreed to retain the arbitration on final offers process in the event of disagreement for the renewal of the collective agreement expiring on November 30, 1996. The new agreement also provided an extension, for all employees on staff on the date of signature, of the minimum of 411 jobs guaranteed, and maintained the standard clause and indexing clause existing at the time of renewal of the agreement expiring in November 1996.

This agreement strengthened the union-management partnership forged during negotiation of the social contract in 1991. It also confirmed the practice of ongoing negotiations developed in the wake of the 1991 social contract agreement, allowing the parties to adjust to market fluctuations. Between 1991 and 1995, numerous letters of agreement were concluded on various matters related to organization of work and working conditions: terms for taking annual leave, replacement of employees on long-term sick leave, registry of candidates and overtime. But the deteriorating financial situation of the Sammi Steel group, the first effects of which were felt in the spring of 1996, led to a cooling in union-management relations that was evident in the 1996 round of negotiations.

1996 Round of Negotiations

Negotiations to renew the collective agreement expiring in November 1996 began in May 1996. Under the agreed extension to November 1999 of the guaranteed labour peace concluded in 1995, negotiations were to deal solely with provisions involving money, and the parties agreed to arbitration on final offers in the event of disagreement. Standard union demands relating to the right of employees to apply for positions while on long-term union-related leave, the assignment of overtime, and information to be conveyed to the joint health and safety committee were, however, subject to negotiation. An agreement was reached on August 30, 1996, with respect to standard clauses. The union requested a conciliator for negotiations on monetary clauses, and a conciliator worked with the parties in September 1996.

In spite of the conciliator's efforts, the parties were unable to agree on monetary clauses. Management made a final offer, which was refused by 95 per cent of members at a general meeting on September 25, 1996. After the membership rejected the employer's final offer – to provide a $500 lump-sum payment to each employee every year, separate from the salary scales – they ratified a proposal made by the negotiation committee on the contents of the union's final monetary offer. This was submitted to the employer on September 26, 1996. When the employer refused the union's final offer, the parties resorted to arbitration on final offers and appointed their assessors to the arbitration board. Although the arbitration process had begun, negotiation continued on the matters in dispute, in the presence of the conciliator. There were two days of hearings, on November 12 and 13, 1996, to present the evidence relating to arbitration of monetary clauses. On November 20, management presented a new monetary offer to the union, and an agreement in principle was reached, providing for a lump-sum payment of $500 in December 1996, as well as salary increases of 15¢ and 20¢ per hour as of December 1, 1997, and June 1, 1999. The agreement also provided for enhancement of the group retirement and insurance plans. A special general meeting was held on November 21, 1996, to present the settlement offer to union members which was ratified by a majority of nearly 90 per cent at another general meeting held on November 25, 1996.

This round of negotiations was more antagonistic than the 1993 round, due to tensions created by the first signs of the company's financial problems, in the spring of 1996. The cuts to spending on equipment maintenance, the reduction of overtime and complaints by some suppliers regarding overdue accounts made the union aware of the company's financial difficulties. These negotiations were punctuated by union pressure tactics to make the employer more conciliatory towards demands for improved salary and benefit plans. The union's pressure tactics can be described as unconventional. Negotiations took place during the ISO accreditation process, and the union membership voted to suspend the participation of union representatives and employees in committee work on total quality for the duration of negotiations.

Financial Crisis of 1997 and 1998

The rumours about the financial problems of the multinational Sammi Steel Co. Ltd. intensified in December 1996, following the announcement of negotiations between the Company and another Korean steel consortium to sell the plants in Welland and Tracy. After these negotiations fell through, managers of Sammi Steel Co. Ltd. obtained bankruptcy protection in Korea and Canada as of March 19, 1997. The Welland and Tracy plants continued production, however, under the leadership of a licensed trustee representing the creditors. Most senior managers and foremen remained on duty at the Tracy plant, and the trustee worked with the union to ensure compliance with the working conditions set out in the collective agreement, in particular the minimum guarantee of 411 jobs stipulated in the 1991 social contract and retained in the 1993 and 1996 negotiations.

The union representatives interviewed in 1997 and 1998 indicated that the company's troubles over the last two years contributed to the cooling in union-management co-operation and a feeling of insecurity among employees. In addition, annual production dropped from 90,000 tonnes in 1995 to about 80,000 tonnes in 1996 and 1997, resulting in staff cuts to a level close to the minimum of 411 jobs guaranteed in the collective agreement, for the duration of these two years. Thanks to an arrangement reached in February 1998, it was not necessary to liquidate the company, as the creditors agreed to convert the debt into shares in the company and to continue operations at Sammi Atlas's two Canadian plants. This agreement was accepted with relief by the management and union representatives interviewed in 1998. They stressed that the pressure exerted by the new shareholders, consisting primarily of financial groups, tended to increase the profitability of operations. However, union-management co-operation had not been fully restored since a drop in the demand and prices for special steels attributable to the Asian financial crisis led to a drop in profit margins for the Tracy plant in 1996 and 1997.

Characteristics and Impacts of the Reorganization of Work at Atlas Steels

This third section describes the main changes in the organization of work and their impact on working conditions, as reported by the management and union representatives encountered during this study.

The representatives of the two parties began by pointing out that the changes primarily affected their relations rather than the technical aspects of the organization of work. Working relations, which had previously been very antagonistic, are said to be more co-operative now. The increased flow of information and more open discussions on the organization of work are equally important changes, according to the representatives. There are apparently more information meetings now than before, although these are said to have become less frequent during the past two years. Thus, from 1993 to 1995, the plant director held quarterly meetings in the cafeteria to inform all employees of the company's economic and commercial situation. The union officials stressed that their members greatly appreciated these meetings and felt much more involved with the company because of them. However, the meetings were discontinued in 1996 as a result of the financial difficulties of the parent company, Sammi Steel.

The social contract agreement had called for the creation of a committee to implement a human resources development plan. This committee, composed of five management representatives and five union representatives, was set up in 1992. Its main mandate was to select the consultants to carry out an analysis of the information needs of the company's employees. The committee fulfilled its mandate and was disbanded in 1995.

A total quality steering committee was also created in 1992 to implement the total quality plan called for in the 1991 social contract agreement. This committee was composed of seven management representatives and seven representatives of the three unions (blue-collar workers, office workers and guards) and its main mandate was to select the consultants to implement the total quality plan. The consultants organized information meetings with all the employees. They also led five three-day co-ordination meetings for all the company's managers and some 30 representatives of the unions to establish a common basis for the total quality plan. Since then, some 20 ad hoc total quality committees have been set up to find solutions to the various problems encountered. These joint committees consist of three to seven members. Moreover, in February 1994, a group of 18 employees received training to lead the quality improvement committees.

According to the management and union representatives, all the plant's departments were involved in the various activities described. However, they do not feel that the levels of decision-making authority or work descriptions have changed substantially since the implementation of the union-management co-operation experiment, and no working group has yet been set up. The management and union representatives agree that decision-making authority on both the direction and methods of change remains with management, but that management initiates a good deal of discussion and consultation before making any definitive decision.

The training given to support the process of change apparently focused on resolving problems related to the total quality process. According to the union representatives, there are plans for putting more training activities in place when new equipment is installed in the plant.

This section concludes with an analysis of the main impacts of the joint reorganization of work in the Atlas Steels plant since the implementation of the 1991 social contract, as reported by management and union representatives. First, the impacts at the individual level are observed. Several indicators are used, in particular, relations between workers and foremen, workers' involvement, and their degree of satisfaction and motivation. Then assessments of the economic results of the reorganization of work, particularly productivity, quantity and quality of products, and quality of equipment are examined. The impact of the changes on working conditions and relations, and on collective bargaining are viewed.

At the individual level, all the respondents, both management and union, mentioned the greater involvement of workers as a major impact of the reorganization of work. Apparently, this is largely because, since 1991, they have been given more information and management has consulted them more frequently. On the other hand, the management and union representatives agree that the reorganization of work has had little impact on the workload or the qualifications required by production workers. The union representatives feel that mutual assistance and co-operation among co-workers has increased since the operational changes were implemented, because of greater communication between co-workers. The majority of them feel that management consults the workers more since the beginning of the union-management co-operation experiment but that, in the case of front-line and middle managers, the extent of consultation varies greatly from department to department.

Several major points were mentioned in relation to the economic impacts of the changes. For one thing, it would appear that the quantity and quality of production have increased significantly since 1991, as has productivity. According to the management representatives, annual production volume increased 33 per cent from 1991 to 1998, rising from 60,000 tonnes to 80,000 tonnes, while the number of production workers increased by less than ten per cent during the same period. Among the major factors accounting for this improvement in productivity, mentioned by both management and union representatives, are greater worker awareness and the introduction of the total quality plan.

The representatives of both parties said that the improvement in product quality is due primarily to the total quality plan implemented in 1992. The two parties also agree that labour productivity has increased since 1991. According to the management representatives, this increase is due, among other things, to greater worker involvement, improvements in equipment and the reduction in production down time. It would also appear that the length of the production cycle has decreased, taking into account the reduction in casting time.

The union representatives all agree that productivity has increased considerably since 1991, but they said that the main reason is the changes the engineers made on various machines to improve their performance and cut down on equipment failures. Some also mentioned that the profit-sharing scheme introduced in 1993 motivated workers to improve productivity.

The representatives of the two parties agree that the changes in the organization of work have had very little impact on human resources management. The management representatives said that the hiring criteria, work classifications, overtime pay and practices, and workplace health and safety provisions have not been altered as a result of the changes. The only major changes, according to the union representatives, involve the 12-hour work schedule and the profit-sharing scheme, both introduced in 1993. The union representatives also confirmed that the changes in the organization of work have had little or no effect on the working conditions of employees.

It seems the most significant changes resulting from the reorganization of work revolve around working relations. First, the management and union respondents reported a decrease in the number of grievances and quicker settlements of disputes and complaints. The parties are also referring fewer grievances to arbitration than in the past: since 1991, the five or six grievances sent to arbitration have all concerned the use of contracting-out to repair production equipment. Nevertheless, the number of grievances increased in 1996 and 1997 when management imposed restrictions on overtime. The management and union representatives interviewed also mentioned a distinct improvement in the quality of communications at every level in the plant and greater mutual understanding between management and the unions. They also agree that union-management relations since 1991 have been more co-operative than in the past. However, the union representatives interviewed in 1997 and 1998 mentioned that union-management relations have cooled off again since 1996 because of the insecurity created by the company's financial difficulties.

The two parties also identified several major changes in the collective bargaining process. For one thing, they agree that, since 1991, the traditional position-based negotiating approach has given way to interest-based, or "win-win," bargaining. For another, they feel that union-management relations in recent years have focused more on an ongoing process of negotiation. It seems that, since 1991, the number of letters of agreement the parties have signed and the number of issues they have discussed on an ongoing negotiation basis have increased. As for the process of bargaining to renew the collective agreement, the two parties agree that the 1993 round of negotiations was much shorter than in the past, and that there was a real climate of mutual trust at the bargaining table. However, the company's financial difficulties contributed to a cooling off of management-union relations that translated into more antagonistic negotiations in 1996.

Conclusion

This study concludes by pointing out the main success factors and the problems with the process of change undertaken at Atlas Stainless Steel in recent years, as mentioned by the official representatives of the two parties and by union activists interviewed for this study.

The main success factors identified by the management representatives are the workers' open-mindedness and desire to be involved and the sustained commitment of the union executive in the reorganization of work. For their part, the union representatives feel that the main factor in the success of the process was the minimum-job guarantee in the social contract. According to the union officials and activists encountered during this study, the social contract experiment at Atlas Steels increased the members' confidence in their union. It thus seems that increased worker participation in the firm's management did not diminish union representation at the plant.

The main difficulties encountered in the organizational change process begun in 1991 are problems of attitude and behaviour. The management representatives identified scepticism and resistance to change among certain managers and groups of workers as the main problems encountered. The union representatives identified delayed investments, resistance to change among front-line managers and management's slowness in implementing planned changes as major problems in the process. Overall, the management and union representatives feel that the implementation of the social contract at Atlas Steels has been a partial success to date, although it is still too early to pass final judgement on this experiment, which is still under way.

In closing, it must be stressed that the extent of the changes and the degree of worker involvement at the Atlas Steels plant remain limited, and that the difficult financial situation of the past two years has not promoted greater union-management co-operation. A stabilized financial situation and a renewed demand for flat stainless steel products will be decisive factors in the continuation of the union-management co-operation experiment at the Tracy Atlas Steels plant in the years to come.

UNIONS, INEQUALITY, AND THE DISTRIBUTION OF INCOME IN CANADA: EVIDENCE FROM THE 1994 SURVEY OF LABOUR AND INCOME DYNAMICS

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1 – Introduction

Unions have been a major feature of the Canadian labour market since the Second World War, when federal *Order in Council PC1003* established a framework for the certification of unions as bargaining agents and for the process of collective bargaining. Today, many workers are either covered by collective agreements, or are union members, and the idea of the right to organize and collectively bargaining has been firmly legitimized. In fact, in 1999, as we approach the end of the millennium, roughly one-third of the Canadian labour force is unionized and a slightly higher proportion is covered by collective agreements (see Akyeampong 1998). While unions are perhaps most noted for their various economic impacts, they are also important social and, to some extent, political institutions which affect broader Canadian society. Although in each of these dimensions, Canadian unions remain influential institutions, in this article we are concerned with their impact on the economic well-being of workers and any influence they may have as economic equalizing institutions.[1]

Both Canada and the United States are ending the 20th Century on the crest of an economic upswing which appears to be unprecedented in the post-war period in terms of both its strength and longevity. Yet, while the economies of both Canada and the United States are growing at an extraordinary rate, concerns have been mounting that the increases in national wealth are not being shared as equally as they might (or even ought to) be. In fact, for some time now in the United States there has been considerable evidence of growing disparities between the very rich and the very poor – combined with the threat of a shrinking middle class.[2] While the United States trend towards increased income polarization and inequality appears to be less pronounced in Canada, and the Canadian middle class remains largely intact, concerns about increased income inequality have, nonetheless, been of some concern in Canada.[3] Moreover, unions have been identified as a major institutional factor which can equalize the distribution of income and reduce the degree of inequality in the

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The analysis is based on Statistics Canada's Survey of Labour and Income Dynamics Public Use Microdata, 1993, which contains anonymized data collected in the Survey of Labour and Income Dynamics. All computations on these microdata were prepared by the authors and the responsibility for the use and interpretation of these data is entirely that of the authors.

The authors gratefully acknowledge the benefit of research assistance from Brad Ridge.

[1] Refer to Chaykowski (1995) for a general review of the various economic effects of unions.

[2] For comprehensive reviews of changes in the extent of economic inequality over the past several decades as well as a discussion of the evidence regarding the various factors that are thought to have given rise to increased inequality, see Levy and Murnane (1992) and Karoly (1993).

[3] Beach and Slotsve (1996) and Morrissette, Miles and Picot (1995) provide thorough reviews of inequality trends and the factors underlying these developments for Canada . Also, see Wolfson and Murphy (1998) for a recent assessment of inequality trends.

economy.[4] Recent studies have suggested that the decline of unionism in the United States may have been an important factor contributing to the increase of income and earnings inequality in that country during the past several decades.[5] So, it is interesting to note that the "state of the unions" in the United States and Canada could not be more different (e.g., see Riddell, 1993). In the United States, private sector unionism has dipped well below ten per cent and some observers predict that the proportion of the American labour force that is unionized will fall so low as to relegate unions to a marginal role in the United States economy. In contrast, unions remain relatively strong and continue to influence economic and social outcomes in Canada.

But there are some significant clouds on the horizon of Canadian unionism. In particular, the broader public sector is heavily unionized, so the room for further growth there is limited; meanwhile, substantial downsizing of the federal and various provincial governments has resulted in large membership losses. In the private sector, particularly in manufacturing, union membership has been in decline throughout most of the 1990s, while unions have been relatively slow to organize employees in the rapidly growing private service sector.[6] Finally, the ability of unions to raise wages has been limited in recent years, especially as the competitive pressures on firms have intensified; unions have focused on job security issues as large firms have downsized their workforces, although it would appear that the degree of success has been somewhat limited; and, in some cases, unions have reduced bargaining power in an environment in which firms are striving to enforce wage restraint in an effort to remain cost-competitive.[7]

From an economic standpoint, the impacts of unions can be observed at the firm level where wages are negotiated, at the broader level of the industry through wage patterns and strike activity, and at the broader macro-economy level through aggregate wage growth and strike activity. But, to date, there has been relatively little analysis of the relationship between unionization and the degree of income inequality in Canada. In this article, we employ a relatively new database made available from Statistics Canada in order to more fully characterize what the similarities and differences are in the distribution of income between unionized workers, on the one hand, and non-unionized workers, on the other hand, in the Canadian private sector. That is, we present a portrait of the degree of inequality among unionized workers versus non-unionized workers. The basic concern among some observers is that if unions tend to be somewhat equalizing institutions in the Canadian economy, and if unions have begun to decline in significance in Canada, then any further decline in union representation may have a deleterious effect on the state of Canadian income inequality. In the following analysis we more fully characterize the nature of the distribution of income among unionized workers and non-unionized workers and provide a portrait of how unionized workers at the lower, middle, and top ends of the income distribution compare with non-unionized workers.

2— Unions and their Effects on Employee Pay

Perhaps the economic effect most identified with unions is their effect on wages through the collective bargaining process. The economic notion or rationale underlying the observed ability of unions to raise wages relies upon the view that they can have a "monopoly effect" in the labour market by controlling the supply of labour services to employers.[8] There is now a considerable body of empirical evidence from both Canada and the United States that suggests that unions have been fairly consistent in delivering a union-wage premium by negotiating wages for their members above those that would otherwise prevail had the workers not been unionized. While generalizing across a wide variety of studies that have produced overall estimates of the union-wage advantage is difficult – these estimates can vary quite considerably depending upon the occupation, industry, skill group etc. that is examined, or the data source or time period considered – estimates are typically in the range of 10 to 15 per cent or higher. The major empirical regularity, however, is that unions *do*, on average, tend to raise wages.[9] Since wages are the largest component of employees' income, and since unions also tend to increase the fringes component of compensation, unions therefore tend to increase workers' compensation levels above those of non-union workers.[10]

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[4] Early landmark studies on these union effects include Freeman (1980) and Freeman and Medoff (1984).

[5] Refer to Freeman (1993), Lemieux (1993) and Dinardo and Lemieux (1997).

[6] See Chaykowski and Slotsve (1996a) and Meltz (1994) on the decline of manufacturing union density in Canada and a discussion of possible consequences.

[7] Recent Canadian evidence on firm level developments in collective bargaining and labour relations, generally, is provided in Verma and Chaykowski (1999).

[8] For the standard neoclassical economic characterization of unions in the labour market and the progression of thought on the theory of union effects, see Dunlop (1944), Friedman and Friedman (1962), and Freeman and Medoff (1984).

There are several possible effects in the labour market as the result of the existence of a "union-wage premium." Based primarily upon the monopoly effect view, one of the major criticisms of unions is that they can create unemployment in the labour market, essentially by raising wages above levels that would otherwise prevail in the absence of unions.[11] How might this occur? Essentially, firms may react to higher unionized wages by substituting away from labour in their production processes towards either cheaper forms of (unionized) labour, non-unionized labour, or more capital intensive production methods.

Furthermore, workers who are unemployed as a result of the union-wage effect may migrate into the non-unionized sector, thereby increasing the supply of labour in that sector and, consequently, allowing employers to offer lower wages in that sector. The net result would be increased wage inequality between the unionized sector which enjoys the wage premium and non-unionized sector(s) in which there is an increased supply of labour and lower wages. Counterbalancing this effect may be what is referred to as a "threat effect," by which non-unionized firms tend to raise the wages or compensation of their employees as a means of thwarting potential unionization; the net effect here would, of course, be to lower the degree of inequality between the wages of unionized and non-unionized workers.[12] Finally, unions also have an equalizing effect within firms by virtue of the egalitarian pay practices which they tend to pursue through collective bargaining. Unions can therefore have the effect of equalizing wages across comparable workers within organizations and, through pattern bargaining, tend to equalize wages across firms within an industry, or through broader sectors of the economy in which a large proportion of workers tend to be unionized.[13] Taken together, the net result of these various wage effects on overall inequality is uncertain and, therefore, open to empirical inquiry. One of the early, and now landmark, United States studies of unions that analyzed this issue found that unions, as a whole, served to decrease the overall level of inequality in the economy (see Freeman and Medoff 1984).

In Canada, the various effects which unions may have on the broader earnings or income distribution are perhaps less well documented. Therefore, a variety of questions naturally arise. Do unions tend to have, by and large, an equalizing influence on income? What is the effect of unions on the distribution of income across education or skill groups? Are the earnings of unionized workers higher than those of non-unionized workers across all regions of a country? Do unions have an impact in raising the earnings of those most in need (i.e., those workers at the very lowest end of the income distribution) in Canada?

In the following sections we provide a variety of portraits of the distribution of earnings and the degree of inequality among unionized workers compared to that of non-unionized workers in Canada. Our purpose is to compare and contrast the degree of (in)equality between unionized and non-unionized workers as a way of gaining insight into the overall effect of unions on the distribution of income in Canada. While Canadian unions remain relatively strong and hence influential in the economy, there are indications that they are declining in some key sectors, such as manufacturing. If they do decline as a major labour market institution, then this may have significant consequences for the extent of income inequality in Canada.

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[9] There is a growing body of empirical evidence in Canada on the magnitude of the union-non-union wage differential: early studies include MacDonald and Evans (1981), MacDonald (1983), Robinson and Tomes (1984), Simpson (1985), Kumar and Stengos (1985), and Grant, Swidinsky and Vanderkamp (1987); more recent evidence is provided by Robinson (1989) and Meng (1990); and Renauld (1997) provides a review of the evidence. For the US, the major works are by Lewis (1986; 1963).

[10] Note that since the generosity of many fringe benefits is tied to wage earnings, the union wage premium also raises total compensation through this effect. Refer to Freeman (1981) for one of the first empirical analyses of the effects of unions on fringe benefit levels.

[11] Other criticisms include contributing to wage and hence, downstream, price inflation in the economy; a loss of economic output through strike activity; and the creation of rigidities and inefficiencies within workplaces by creating a very complex and cumbersome web of rules that govern the workplace and effectively limit managerial discretion.

[12] See Rosen (1969) on the notion of the "threat effect" of unions on the wages of non-union workers.

[13] Historically, pattern bargaining had been a major feature of industries as diverse as meat packing, steel, and mining. More recently, in Quebec and Saskatchewan, there was considerable concern during the summer of 1999 that any major wage settlement (concessions) to the nurses in the province would have the effect of setting a precedent which other public sector unions in the province would like to emulate or "pattern after."

3 — Analysis of Mean Income by Union Status and Personal and Employment Characteristics[14]

In this section, we compare the mean income levels of unionized and non-unionized workers by employment status, gender, industry and region, and education and skill characteristics. While we expect that unionized workers as a whole will (on average) have higher income levels because of the union wage premium, this part of the analysis will allow us to determine whether or not unionized workers have higher income levels across a variety of labour market and personal characteristics. In the second part of the analysis, we compare the average earnings of unionized and non-unionized workers at various points of the overall income distribution. Finally, we also consider the average income levels of non-unionized workers who are low income, high income, and middle class in order to better appreciate who benefits most from unionization.

3.1 — Union and Non-union Income Levels

Income Levels by Employment Status and Sex

Chart 1 illustrates the mean income of workers according to their unionization status and their employment in full-time versus part-time jobs. In the first panel, we notice that part-time workers, on average, earn roughly one half the income level of full-time workers. This pattern is consistent among both unionized workers and non-unionized workers separately – as illustrated in the second and third panels of Chart 1. Note, however, first that the *difference* in mean income between part-time and full-time workers is *lower* among unionized workers ($15,042) than among non-unionized workers ($16,427) and, second, that both full-time unionized workers and part-time unionized workers, on average, earn higher income levels than their non-union counterparts.[15] Thus, it would appear that unionized workers, whether full-time or part-time, do better than non-unionized workers and that unions appear to reduce the disparity in pay between part-time and full-time workers.

Several interesting results emerge when the mean income of unionized and non-unionized workers is examined by sex. As is evident from the second and third panels of Chart 2, unionized males earn (on average) roughly the same as non-unionized males;[16] however, unionized females enjoy a considerably higher income level than do non-unionized females, with a difference in favour of unionized females of roughly $6,704. The net result is that the overall higher average income level of unionized workers that we observe appears to be essentially driven by the fact that unionized females have (on average) a higher income level than do non-unionized females.

Comparison of Income Levels by Union Status and Human Capital Characteristics

One of the most important determinants of individual workers' earnings and income levels over time is the degree of human capital investment that workers are able to accumulate, including formal education, on-the-job training and skills formation. In this section, we are able to examine similarities and differences in the average income levels of unionized and non-unionized workers by both education and skill levels. We consider all workers together, regardless of their

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[14] The data used in the analysis is drawn from Statistics Canada's Survey of Labour and Income Dynamics for 1994 and is based on the Canadian Labour Force Survey. It is a national household survey of the civilian population that excludes residents of the Yukon and Northwest territories and residents of institutions and reserves. The sample used is 6,309 and includes employed paid workers in the private sector who are aged 16 to 62 and who are not subject to a long-term health condition.

[15] The difference between the incomes of unionized part-time and non-unionized part-time workers is $5,837; the difference between the incomes of unionized full-time and non-unionized full-time workers is $4,453.

[16] The difference in favour of unionized males is only $543.

Chart 1

Mean Income by Union Status and Part-/Full-Time Employment, 1994

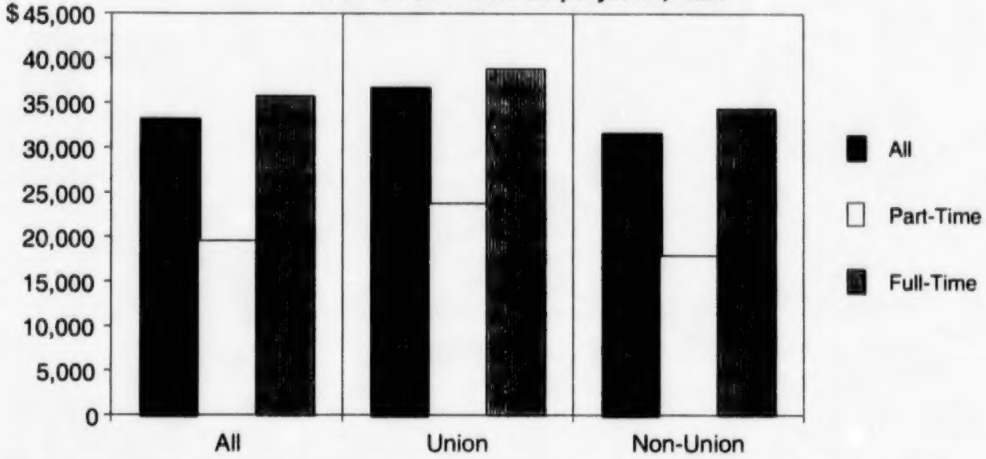
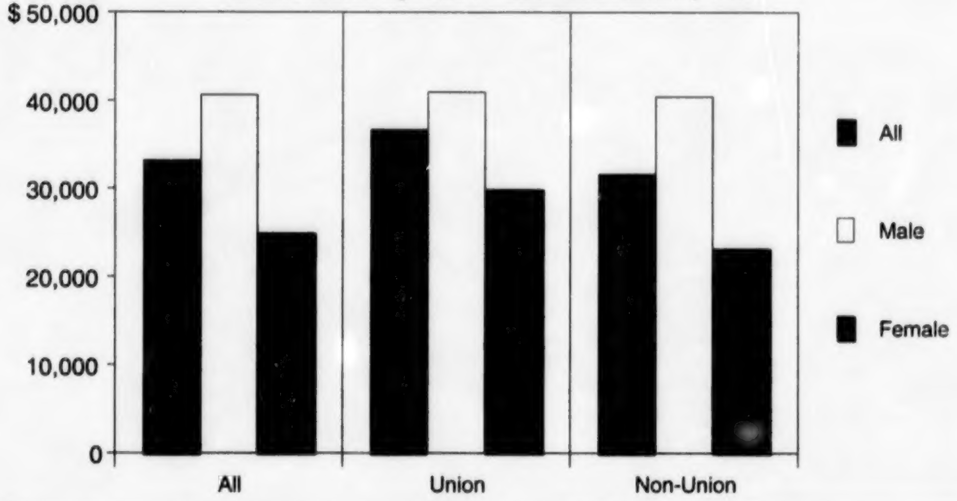


Chart 2

Mean Income by Union Status and Gender, 1994



education level, as well as workers with each of high school or less, some post-secondary or a post-secondary certificate, a university bachelor degree, or a post-graduate degree and we consider each of these groups for both unionized and non-unionized workers. These results for education are represented in Chart 3; in panel 1 the results are presented for all workers; in panel 2 they are presented for unionized workers; and in panel 3 they are presented for non-unionized workers.

Unionized workers with no high school diploma, a high school diploma, some post-secondary education, or a post-secondary certificate all (on average) earn higher income than do the corresponding non-union education group. The differences are sizeable and range from roughly $3,492 among workers with some post-secondary education to $11,000 among workers who have achieved a post-secondary certificate.

However, the differences between unionized and non-unionized workers reverse when one considers workers with a university BA degree. Here the results are opposite of what we observed at the lower education levels in that non-unionized workers with a university BA in fact earned considerably *more* than unionized workers with a university BA (with a difference in mean income of about $9,286); non-unionized and unionized workers with post-graduate degrees earn on average roughly the *same* income level. What explains these results? On the one hand, we expect that unions will be most successful in raising the wages of workers at the lower to middle education levels, since these education levels would be expected to correspond to a broad range of industrial jobs in the economy. On the other hand, employees in jobs that require advanced degrees, such as a BA or post-graduate degree, tend also to be in higher paying jobs in the labour market that are often associated with professional or managerial responsibilities. Therefore, the ability of unions to deliver a wage *premium* for these workers would be expected to be small;[17] moreover, unions generally reduce pay differentials due to skill, so we would expect the more highly educated to benefit the least.

These results for education and average income are consistent with the results obtained when mean income by union status and skill is examined (see Chart 4). In this case, both the non-unionized 'professional and high level management' and non-unionized 'semi-professional and mid-management' employee groups tend to earn (on average) approximately the same income level as unionized workers with those qualifications.[18] When one examines the 'skilled and semi-skilled' employee group and the 'un-skilled' employee group it is clear that unionized workers in each of these two skilled groups earn (on average) substantially higher income levels than do the corresponding non-union workers (by $11,332 and $9,653, respectively). Thus, it would appear that the results for both education and skill are quite consistent in that non-unionized employees with very high education and skill level attainment tend to earn as much or more as unionized workers whereas workers in the middle to lower end of the education and skill spectrum benefit most from being unionized. Again, these results make sense when one considers that union membership tends to be concentrated in the middle and lower end of the education and skill spectrum (where the scope for raising the wages of those workers would probably be

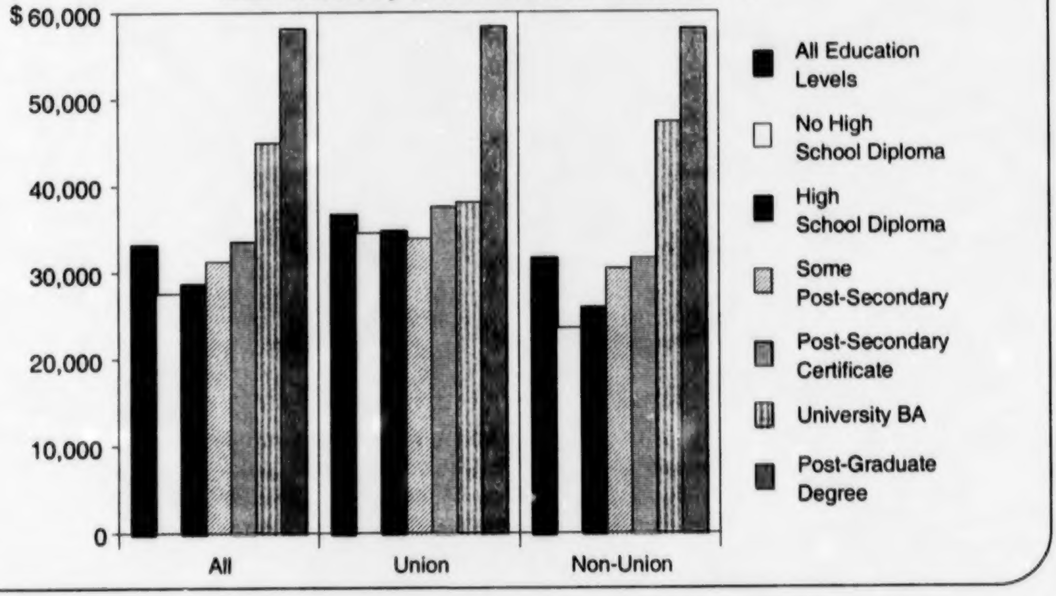


Chart 3

Mean Income by Union Status and Education, 1994

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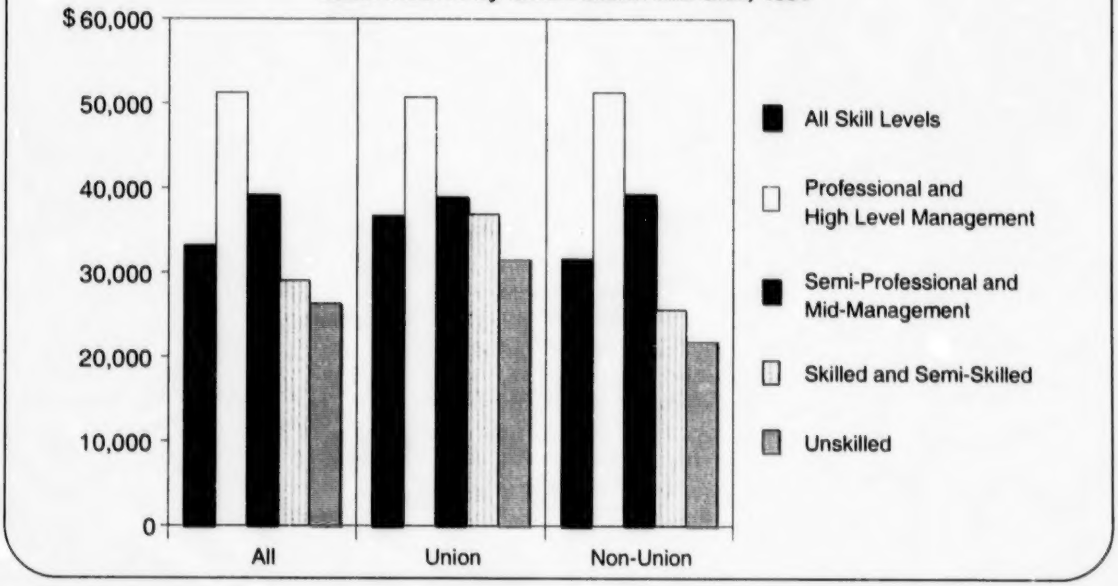
[17] Alternatively, more highly paid workers may be more likely to seek union representation in order to improve the non-monetary aspects of their job, such as working conditions, grievance/arbitration procedures, health and safety, etc.

[18] The differences, in favour of non-unionized workers in each case, were only $603 and $378, respectively.

Chart 4

Mean Income by Union Status and Skill, 1994



higher than among the already highly paid employees in the labour market) and that unions tend to compress pay differentials by skill.

Comparison of Mean Income Levels by Union Status and Industry and Region

Since union membership remains concentrated in the traditional primary, manufacturing, construction, and transportation industries, which are the traditional bullworks of trade unionism in Canada, we might expect the union earnings and income effects to be highest in those industries. The comparison of average income levels by union status and industry displayed in Chart 5 illustrates that the mean income of unionized workers is substantially higher than that of non-unionized workers in both the primary (by $12,028) and construction (by $17,347) industries but that, perhaps somewhat surprisingly, average income levels are roughly comparable in the manufacturing sector (with a difference in favour of unionized workers of only $432). However, when one considers that union density in the manufacturing sector is currently at a level of approximately 32 per cent and that it has been declining in recent years, combined with the fact that the manufacturing sector is subject to considerable international (particularly American) competitive pressures that would tend to dampen union wage demands, this result is perhaps not so surprising after all.[19]

The mean income of unionized workers is also higher than that of non-unionized workers in the transportation, storage, communication and utilities industries (by $4,984) which also tends to be heavily organized. Differences in mean income levels between the two groups are smaller but still in favour of unionized workers in:

- wholesale and retail trade (by only $2,693);
- education, health and social services sector (by only $1,720); and
- the broader service sector (by $3,117).

The one sector in which the mean income of non-unionized workers exceeds that of unionized workers is in the finance, insurance, and real estate industry (which has particularly low union density levels). Here the difference in mean income is a substantial, $11,101 in favour of non-unionized workers.

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[19] Refer to Chaykowski and Slotsve (1996) for a discussion of trends in union density in the manufacturing sector and Akyeampong (1998) for recent estimates of union density by industry.

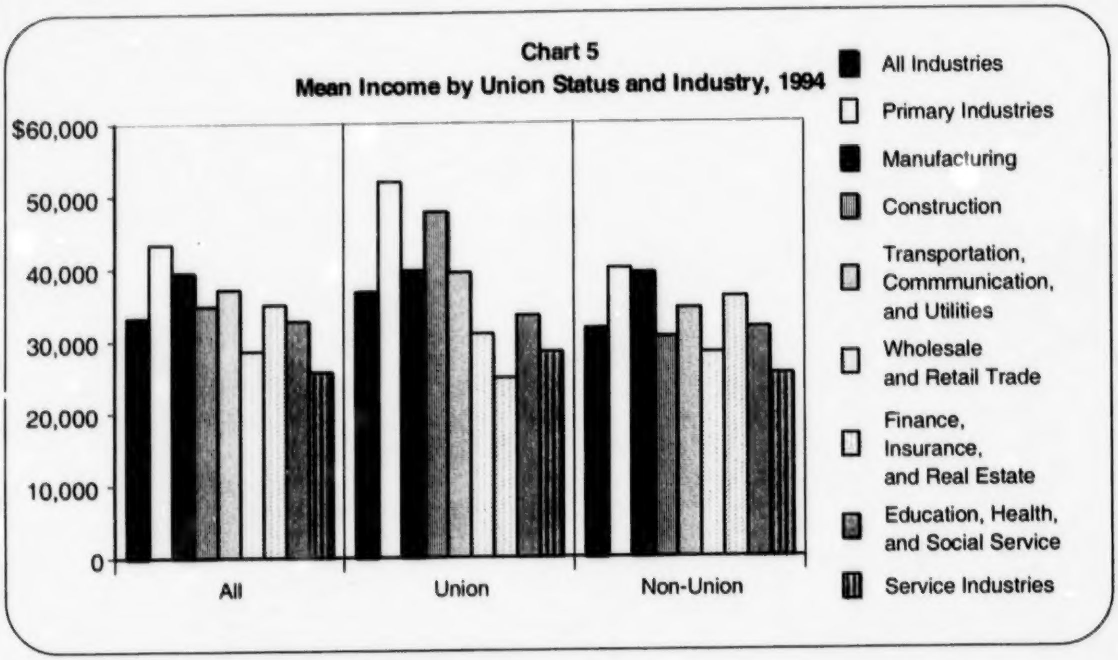

Chart 5

Mean Income by Union Status and Industry, 1994

Many aspects of the Canadian labour market vary by region, including such features as the unemployment rate, average wage levels, as well as the degree of unionization. Differences in mean income by union status and region are illustrated in Chart 6 and demonstrate that, in all regions of Canada, the mean income of unionized workers exceeds that of non-unionized workers, but that the differences are largest in Atlantic Canada (by $9,249), the prairies (by $7,846), and in British Columbia (by $6,186).[20]

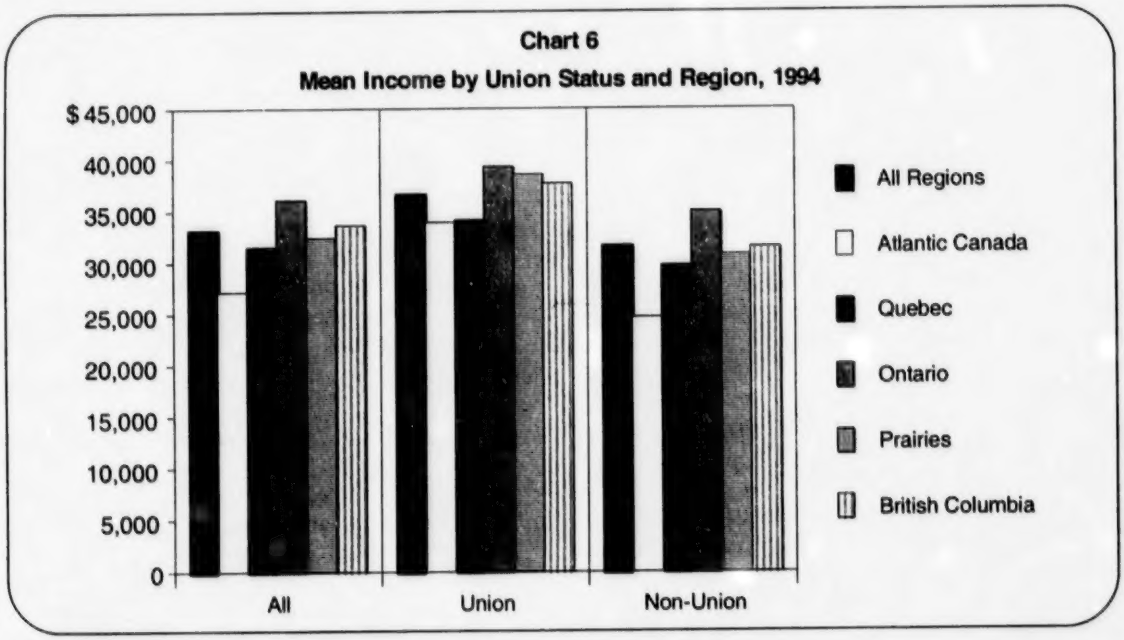

Chart 6

Mean Income by Union Status and Region, 1994

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[20] The differences in mean incomes are just under $4,500 in each of Quebec and Ontario.

3.2 – Union and Non-union Average Income Across the Income Distribution

Method of Calculation of Mean Income and Income Shares by Quintile

In order to compare the distribution of income between unionized and non-unionized workers, we proceed in two steps. In the first step, we begin by ordering *all* paid workers in the sample (6,309 observations) by income level, from lowest to highest. Once this ordering is accomplished, we divide the total sample into *quintiles* or fifths. Thus, the first quintile includes those workers in the total sample with the lowest 20 per cent of income, the second quintile includes the next highest 20 per cent of workers in terms of income, and so forth, up to the fifth or highest quintile which includes the top 20 per cent of employees who are at the highest income levels. This allows us to establish the income cutoffs between the first and second, the second and third, the third and fourth, and the fourth and fifth quintiles, respectively, that we use in the analysis; that is, each quintile corresponds to a particular income range, that defines a total sample quintile.

In the second step, we separate unionized workers from the sample and we calculate which unionized workers have an income that falls in each quintile (where the income range for each quintile is defined as the total sample quintile from step one). For the unionized workers in a given quintile, we can then calculate the mean income level. Similarly, we separate non-unionized workers from the sample and we calculate which non-unionized workers have an income that falls in each quintile (where the income range for each quintile is again defined as the total sample quintile from step one). Again, we can calculate the mean income level for non-unionized workers in each quintile. Thus, for a given segment or quintile of the overall income distribution, we are able to compare the average income levels of unionized and non-unionized workers. Note that, since the income cutoffs for each quintile are defined by the entire sample of workers, a different number of unionized and non-unionized workers will reside in each quintile.

This approach allows us to examine the average income of unionized and non-unionized workers at different areas of the entire income distribution – rather than considering only a single summary measure of mean income among unionized and non-unionized workers, respectively. Finally, we also consider the share of total income earned by unionized workers in each of the quintiles; this calculation of income shares is also done for non-unionized workers and for all workers in the labour market.

Mean Income and Income Shares by Union Status

Chart 7 provides the quintile mean income by union status. In each of the first, second, third and fourth quintiles, the mean income of unionized workers slightly exceeds that of non-unionized workers, by roughly $820 in quintile one, $496 in quintile two, $215 in the middle (third) quintile, and $427 in the fourth quintile. However, in the fifth or highest quintile the mean income of non-unionized workers exceeds that of unionized workers by a considerable margin of $10,050. Thus, it would appear that unionized workers tend to do better in the lower and middle quintiles, whereas employees at the very top of the overall income distribution tend to do better if they are non-unionized.

Even so, it would appear that the shares of (aggregate union) income held by unionized workers in the lowest two quintiles (at 12.2 per cent) are considerably smaller than the corresponding shares of (aggregate non-union) income held by non-unionized workers in the lowest two quintiles (at 23.6 per cent). Unionized workers in the middle and fourth quintiles hold a larger share of (aggregate union) income (at 49 per cent) relative to the share of (aggregate non-union) income held by non-unionized workers (at 37.8 per cent). Finally, in the top quintile, the share of (aggregate union) income held by unionized workers (at 38.8 per cent) is virtually the same as the share of (aggregate non-union) income held by non-unionized workers (at 38.6 per cent). For both unionized and non-unionized workers, the income shares steadily increase from the lowest to the top of the overall income distribution (see Chart 8). But these results also suggest that the share of aggregate union income held by workers in the middle to top of the overall union distribution is larger, and the share of aggregate union income held by workers in the lower segments of the overall union distribution is lower, relative to the corresponding shares of aggregate non-union income held by non-union workers.

The pattern of full-time and part-time employment across quintiles is roughly similar among unionized and non-unionized workers. It is apparent (see Chart 9),

Chart 7

Quintile Mean Income by Union Status, 1994

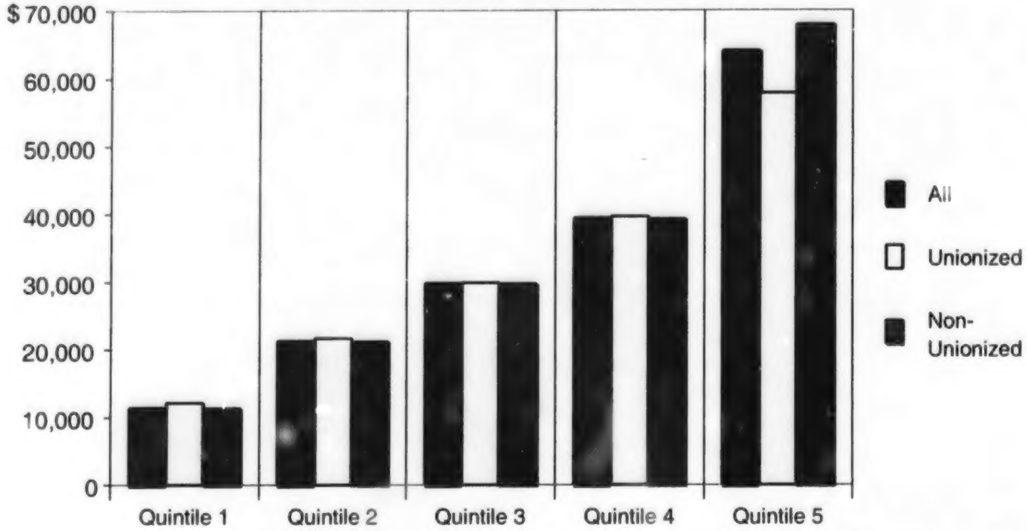
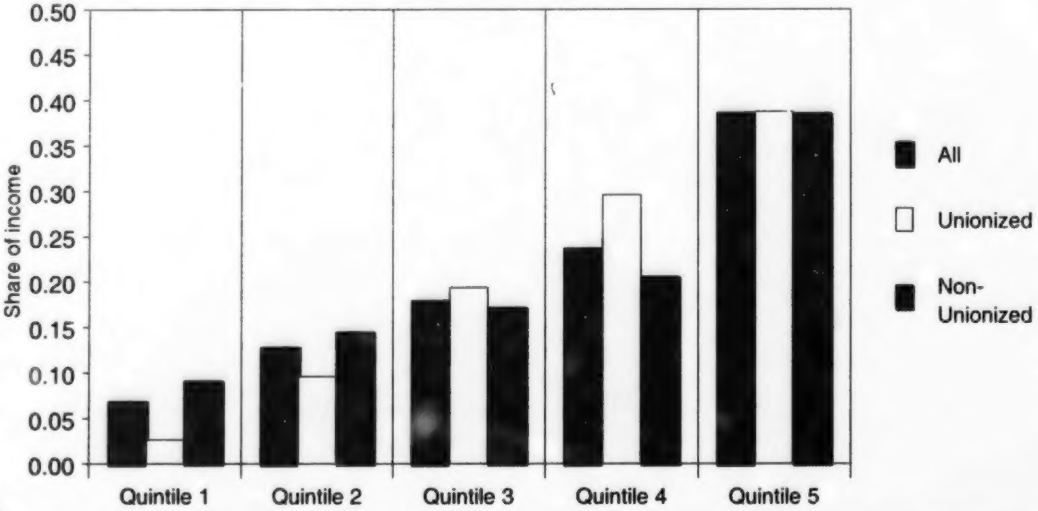


Chart 8

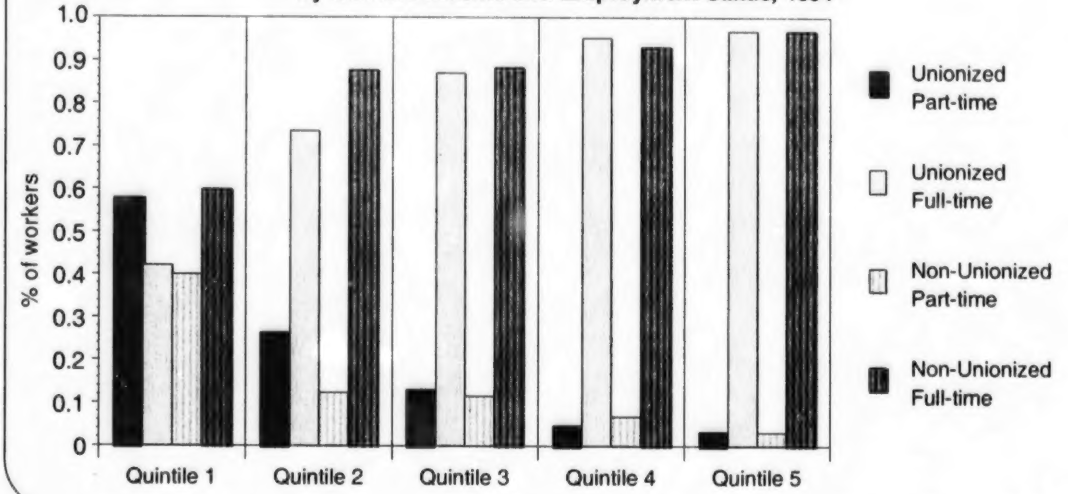
Quintile Income Shares by Union Status, 1994



however, that in a given quintile, the proportion of unionized workers who are part-time is greater than the proportion of non-unionized workers who are part-time at the lower end of the distribution (quintiles one, two and three); whereas, at the higher end of the overall distribution (quintiles four and five), the proportion of workers who are part-time is much higher among non-unionized workers. This pattern is essentially reversed among full-time workers at the lower end of the distribution. In this case, in the bottom three quintiles of the overall income distribution, in a given quintile, the proportion of workers who are full-time is higher among non-unionized workers than among unionized workers, although the proportion full-time is very similar in the middle quintile. In the fourth quintile, the proportion full-time is slightly higher among

Chart 9

Percentage of Unionized and Non-Unionized Workers by Quintile Income and Employment Status, 1994



unionized workers, but essentially the same in the top quintile of the income distribution.

Taken together, these results suggest that the reason unionized workers have a smaller share of (aggregate union) income in lowest quintile, relative to non-unionized workers, is because the unionized workers are predominately part-time workers, whereas non-unionized workers in the lowest quintile are predominately full-time. As we move up the distribution, for both unionized and non-unionized workers, the percentage employed full-time increases and, consequently, their quintile income shares rise.

Polarization and Income Levels of the Middle Class by Union Status

In this section, we characterize how workers in the middle and two ends (or poles) of the income distribution are doing depending on whether they are unionized or non-unionized. We define the middle class broadly to include those workers whose income falls within the range of 50 per cent of the median income and 150 per cent of the median income of *all* paid workers in the sample. Among all workers whose income fell within this band of 50 to 150 per cent of the overall median, the average income was just under $29,000 per year in 1993. For this middle class group, the mean income of unionized workers exceeded that of non-unionized workers by roughly $3,200. In addition, among unionized workers, roughly 58 per cent of the (aggregate) income of unionized workers was held by those whose income is considered middle class. This share was slightly larger than the corresponding proportion for non-unionized workers (at 54 per cent). Thus middle class unionized workers have higher average income and hold a larger share of unionized earnings relative to non-unionized workers. (See Table 1.)

Table 1

Income of the Middle Class by Union Status, 1994
50-150% Income Group

	All	Unionized	Non-Unionized
Mean Income	$ 29,000	$ 31,100	$ 27,900
Share of Income	55%	58%	54%

Another issue of concern is the proportion of part-time or full-time workers who are found at the top and bottom of ends of the income distribution. To explore this phenomenon, we define workers to be 'low income' if their income falls below 50 per cent of the median income of *all* paid workers in the sample. Similarly, we define workers to be 'high income' if their income is above 150 per cent of the median income of *all* paid workers in the sample. Among each of unionized and non-unionized workers, a similar proportion of high income workers are full-time (at 97 per cent) and part-time (at 3 per cent). The major differences by union status emerge among low income workers. Of unionized workers who are low income, only 39 per cent are full-time while 61 per cent are part-time; in contrast, of non-unionized workers who are low income, 56 per cent are full-time and only 44 per cent are part-time. (Refer to Charts 10 and 11.)

Chart 10

Proportion of Full-time Workers at the Top and Bottom of the Income Distribution by Union Status, 1994

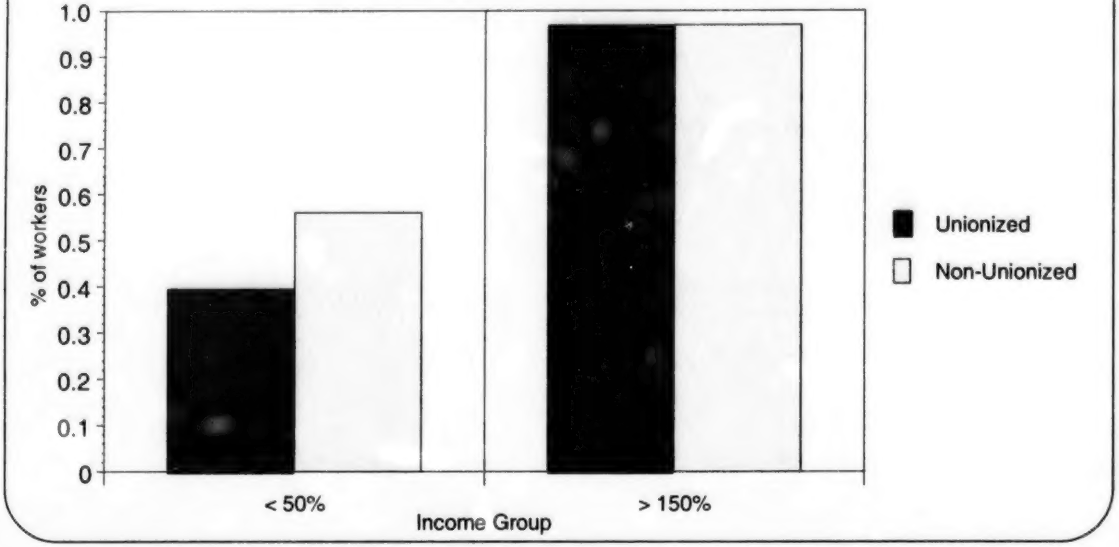
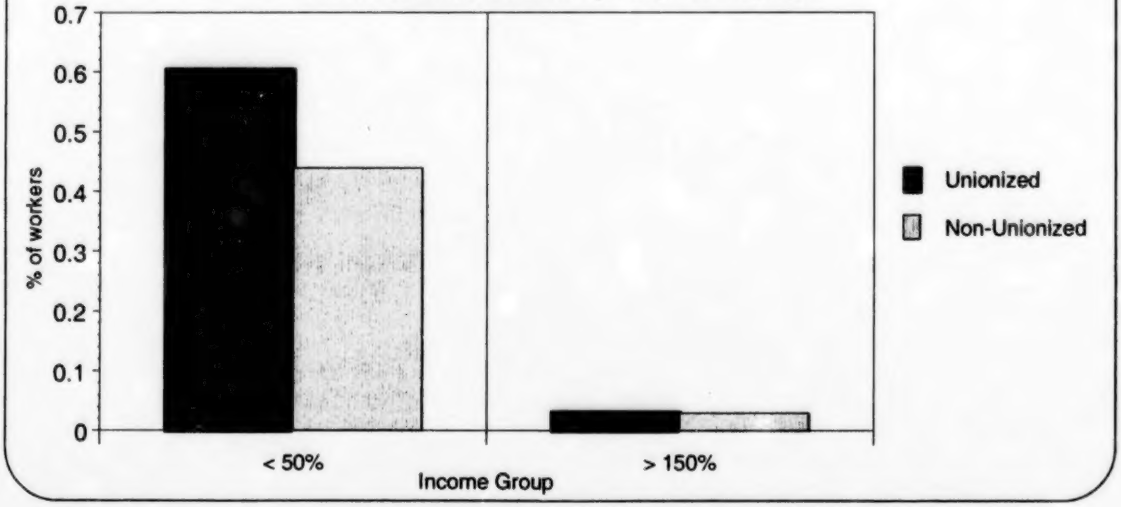


Chart 11

Proportion of Part-time Workers at the Top and Bottom of the Income Distribution by Union Status, 1994



4— Summary and Concluding Observations

In both Canada and the United States, there have been a variety of labour market supply side, demand side, and institutional factors that have affected the increase in income inequality in the economy. Among the various institutional factors affecting income inequality, unions are perhaps the most important. While unions have relative socio-political roles, from an economic standpoint, it is perhaps their direct wage and compensation effects through collective bargaining that have the most impact.[21] What we do know is that unions do tend to provide a sizeable wage advantage to their members and that they can have positive effects on human capital formation, primarily through their effects on worker training. As a result, unionized workers tend to have higher wages (on average) and, hence, we expect them to have higher income.

Using data for 1994, we examined the income levels of unionized and non-unionized workers across a variety of labour market and personal characteristics and also compared the average earnings of unionized and non-unionized workers at various points of the overall income distribution. A number of key results emerged:

- on average, union workers have higher income than non-union workers. In particular, unionized workers, whether full-time or part-time, do better than do non-unionized workers. Also, unionized females have significantly higher income than do non-unionized females;
- unionized workers tend to benefit workers at the lower to middle education and skill levels, while non-unionized workers have higher income, on average, at the higher education and skill levels;
- while unionized workers have higher income across all regions of the country, the union income advantage does vary across regions; further, unionized workers have, on average, higher income in all industries except 'finance, insurance and real estate', and the largest advantage occurs in the 'primary' and 'construction' industries;
- the ability of unions to raise the income of their members is greatest in the lower and middle levels of the overall income distribution, while workers at the very top end of the income distribution tend to do better if they are non-unionized; and
- among low income unionized workers, most are employed part-time; in contrast, among low income non-unionized workers, the majority are employed full-time.

The results, taken together, suggest a portrait in which unions are associated with higher income levels for the workers they represent. Unions also benefit employees with characteristics that have been associated with an earnings (and income) disadvantage, including part-time and women workers, and more generally, employees at the lower ends of the education and skill distribution. This is very consistent with our finding that the greatest effect of unions in raising the income of their members occurs at the lower and middle levels of the overall income distribution, suggesting that they are, indeed, an equalizing institution.

While it is the case that unions and union membership have been in decline in several western industrialized countries, perhaps most notably in the United States, unions have remained relatively robust in Canada. This appears to be largely the result of fairly supportive labour public policy that, in turn, appears to be underpinned by a fairly high degree of broader public interest in collective representation through unionism. The results presented in this paper suggest that Canadian unions continue to improve the relative income of their members and to serve to reduce economic inequality.

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[21] In addition, unions can also have a broader socio-political influence on factors that, in turn, affect workers' economic well-being, through their support for social policies or economic programs that affect workers (e.g., support for a more generous employment insurance program or policies that affect the working poor).

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NEW DEVELOPMENTS IN BRITISH ANTI-DISCRIMINATION LEGISLATION

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Introduction

Canada's commitment to the principles of employment equity is one which is shared by Great Britain. While both countries have developed different legislative frameworks to ensure equality in the workplace, their efforts are similarly premised on the common belief that no person should be denied employment opportunities or benefits for reasons unrelated to ability. **(A comparison of the major provisions of the federal *Employment Equity Act* and British anti-discrimination legislation is in the Annex.)**

In Canada, guarantees of equality in the workplace can be found in complaint-based human rights statutes which exist at both the federal and the provincial levels. Under human rights legislation, discriminatory practices are prohibited in a number of areas, including employment.

A more proactive approach to the promotion of equal opportunities is embodied in the federal *Employment Equity Act*. As the primary legislative tool for supporting and promoting equality in the federal workplace, the *Employment Equity Act* aims to identify and eliminate barriers to the employment of four designated groups: women, persons with disabilities, members of visible minorities and Aboriginal peoples.

In contrast, guarantees of equality in British workplaces find their basis in three broad-ranging anti-discrimination statutes, each one covering a separate regime:

- **gender** – the 1975 *Sex Discrimination Act*;
- **race** – the 1976 *Race Relations Act*; and
- **disability** – the 1995 *Disability Discrimination Act*.

None of these acts focus on employment exclusively. They extend their scope to include the provision of goods and services, as well as education and housing. Policy responsibility for the employment provisions of each of these acts rests with the Department for Education and Employment; however, each statute operates very much independently of the others with its own enforcement or advisory body and particular geographical arrangements. (Whereas the *Sex Discrimination Act* and *the Race Relations Act* apply to Great Britain (Britain, Scotland and Wales), the *Disability Discrimination Act* applies to the United Kingdom (Britain, Scotland, Wales AND Northern Ireland).

While this multiple-statute framework differs significantly from that in place in Canada, recent developments make British anti-discrimination legislation a worthy subject of study. Changes, both proposed and actual, to the present legislative framework in Great Britain represent an effort to not only keep pace with a number of emerging concerns but to also respond to the changing needs of the three target populations: women, ethnic minorities and persons with disabilities.

1 — *Sex Discrimination Act* 1975

Overview

Under Great Britain's *Sex Discrimination Act*, a person discriminates against a woman if the woman is treated less favourably than a man or if she is subject to a condition or requirement which puts her at a disadvantage because she is less likely to be able to comply with it than a man. An example of such a requirement or condition would be a fitness test which applies the same standards to a woman and a man without taking into account inherent differences between the sexes in terms of strength and speed.

The Act therefore recognizes the validity of claims of both direct and indirect discrimination. Indirect discrimination occurs even when a condition or requirement seems to affect men and women equally yet, in practice, it disadvantages a far greater proportion of one sex. The legislation also recognizes discrimination by way of victimization which involves penalizing an individual because that person has, for example, asserted rights under sex discrimination legislation or has helped another person to assert such rights.

Under the legislation, sex discrimination is prohibited in employment, vocational training, education, advertising, housing, and in the provision of goods, facilities and services. The areas of employment and advertising are unique, however, in that the Act provides for additional protection in these realms on the basis of marital status. It is not, however, unlawful to discriminate against a single person on grounds of being single.

Sex discrimination is outlawed in the public and private sectors, in all areas relevant to employment, regardless of the number of persons employed. This is in marked contrast to the threshold established under the Canadian *Employment Equity Act* whereby only private and public sector employers with 100 or more employees fall within its scope. Discrimination is prohibited as follows:

- **Discrimination by employers against applicants** – in the arrangements made for the purpose of determining who should be offered that employment, in the terms on which the employment is offered, or by refusing or deliberately omitting to offer employment;
- **Discrimination by employers against employees** – in affording access to opportunities for promotion, transfer or training, or to any other benefits, facilities or services, or by refusing or deliberately omitting to afford access to those opportunities;
- **Discrimination in partnerships** (firms consisting of six or more partners) – in offers of partnerships or omissions thereof, removal from that position, and access to benefits, facilities or services;
- **Discrimination by trade unions** – by organizations of workers or employers with regard to membership and other benefits;
- **Discrimination by qualifying bodies** – in conferring an authorization or qualification which is needed for, or facilitates, engagement in a particular profession or trade;
- **Discrimination by vocational training bodies** – in access to courses or facilities; and
- **Discrimination by employment agencies** – in employment or other services of the agency such as career guidance and training.

Also prohibited under the employment provisions of the Act is sexual harassment. Sex discrimination legislation holds employers liable for their employees' actions, including incidents of sexual harassment.

Responsibility for the administration, review and enforcement of the *Sex Discrimination Act* rests with the Equal Opportunities Commission. Created by the British Parliament in 1976, the Commission is a statutory and independent body charged with the broad mandate of working towards the elimination of sexual discrimination. With an annual budget in excess of six million pounds (approximately $14.3 million Canadian) (Jain, Harish C. and Angus Bowmaker-Falcon (1998)), the Commission has the power to provide advice, assistance and representation for individual complainants; it recognizes that complainants often need advice on the practical meaning of the law, protection from victimization and aid in the preparation of a legal claim, obtaining evidence and evaluating defences. It also conducts formal investigations, issues non-discrimination notices, prepares codes of practice and conducts research for the purposes of informing policy development and recommendations. If in the course of a formal investigation the Commission becomes satisfied that an employer has committed a discriminatory act, it may serve a non-discrimination notice on that employer requiring him or her not to commit any such act.

While the Commission is responsible for the administration, review and enforcement of the *Sex Discrimination Act*, adjudication responsibilities similar to those undertaken by the Canadian Employment Equity Review Tribunal rest with industrial tribunals.

Sex Discrimination in the 1990s

As is the case in many industrialized nations, the number of women in employment in Great Britain has increased steadily over the past 15 years. Significantly, as women's participation in the labour market has increased, so too has the number of sex discrimination cases being filed with the Equal Opportunities Commission.

The Commission's 1998 Annual Report reveals that it receives a high number of complaints and inquiries about sexual harassment. In 1998, the Commission received more than 700 inquiries about sexual harassment, representing more than 10 per cent of the total casework.

In terms of other Equal Opportunities Commission-assisted sex and pay discrimination cases, there were 30 complaints concluded during 1998. Of these, eight won, four lost and 18 were settled. The total paid in compensation to applicants was almost 300,150 pounds (approximately $717,900 Canadian) with an average of 15,007 pounds (approximately $35,894 Canadian) per applicant.

With the lifting of compensation limits and the growing awareness of employee rights regarding sexual discrimination, individuals are increasingly coming forward to place complaints and make enquiries. A total of 3,433 cases were brought to the industrial tribunal under the *Sex Discrimination Act* in 1997-98, a figure which has fluctuated between 2,880 and 4,788 over the past six years.

Recent Developments

While important advancements have been made in terms of levels of representation of women in the British workforce, some of the fundamental barriers to true sex equality remain (e.g., occupational segregation). Fortunately, a number of recent developments have the potential to impact significantly upon the structure and scope of the legislation.

1. Recommendations for a new sex equality law – On January 21, 1998, the Commission unveiled its proposals for a new "super law". It claims that Britain urgently needs to update its sex equality legislation through the creation of a single simple framework. The proposals for change represent a new focus in which strengthened individual rights are complemented by new responsibilities placed on employers and public authorities.

Key proposals deal with the following issues:

- **Equal Treatment and Fundamental Human Rights** – the *Sex Discrimination Act*, the *Equal Pay Act* and other relevant laws should be replaced by a single sex equality act. The new statute should incorporate European Community Law and should be based on the *Principle of Equal Treatment*. This Principle can be found in the Treaty of Rome's Equal Treatment Directive.

- **Discrimination** – the new statute should ensure that the "burden of proof" in discrimination cases meets the requirements of the European Community Council Directive on the Burden of Proof whereby if there appears to be evidence of discrimination, the onus is on the *organization* to demonstrate that equal treatment has been provided. It is widely believed that shifting the burden will improve access to justice. In many cases, people who feel they have been discriminated against find it difficult to "prove" discrimination because they cannot get access to an organization's records. The Equal Opportunities Commission feels that, in the interests of fairness, the organization should shoulder the burden of proof.

- **Rights in Employment** – employers, with the exception of private households, should be required to monitor their workforce in terms of gender, job-title or grade, and rates of pay of their employees on at least an annual basis. This proposal mirrors provisions contained in Canada's *Employment Equity Act* 1996. Furthermore, contractors seeking a contract or financial aid from central or local governments should be required to show that they monitor their workforce in the same manner. This would be a program along the lines of Canada's Federal Contractors Program.

2. Women in the armed force – The army recently increased posts open to women from 47 to 70 per cent of all job opportunities. It must be noted, however, that one-third of the positions still remain closed to women on the grounds of "combat effectiveness".

3. Protections for transsexuals – Employment protections under the *Sex Discrimination Act* were recently extended to include transsexuals. The term "transsexual" applies to an estimated 5,000 people in the United Kingdom. In response to the European Court of Justice Ruling that discrimination against transsexuals is contrary to the European Equal Treatment Directive, the British Government introduced the *Sex Discrimination (Gender Reassignment) Regulations* 1999. Under these regulations, the Equal Opportunities Commission has been empowered to publish a Code of Practice which will provide practical guidance and recommend good practice for employers dealing with transsexualism in the workplace. These protections do not extend beyond the field of employment. As such, the legality of discrimination against transsexuals in fields such as education and access to goods, facilities and services remains unclear. The Equal Opportunities Commission supported a sex discrimination claim on behalf of a transsexual which began in 1993. An Industrial Tribunal referred the case to the European Court of Justice to decide whether discrimination against a transsexual was contrary to European law. On April 30, 1996, the European Court of Justice ruled that it was unlawful to discriminate against a person on the grounds of his or her gender reassignment. This landmark decision was the first anywhere in the world to give transsexual people employment protection.

2 – *Race Relations Act* 1976

Overview

The *Race Relations Act* 1976 prohibits discrimination on the grounds of colour, race, nationality, and ethnic or national origins. Discrimination on grounds of language, social origin or political opinion is not covered in Britain. However, "ethnic origin" has been interpreted broadly, to mean a segment of the population distinguished from others by a sufficient number of shared customs, beliefs, traditions and characteristics derived from a common past so as to give them an historically determined social identity e.g., Jews, Sikhs and gypsies. Other religious groups may bring complaints under the Act if the discrimination they experience amounts to indirect discrimination against a particular racial group.

The Act makes racial discrimination unlawful in respect of employment, education, training, housing and the provision of goods, facilities and services. Application of the legislation extends to both the public and private sectors.

With regard to protection in the realm of employment, the Act covers all enterprises, regardless of size, all employees and all aspects of employment, including recruitment, selection, promotion, transfer, training, pay and benefits, redundancy, dismissal and hours of work. To a large extent, these provisions mirror the employment provisions contained within the 1975 *Sex Discrimination Act*.

The 1976 Act addresses the practice of indirect or institutionalized discrimination which results from past and present disadvantage. The segregation of a person from others on racial grounds is a further form of prohibited discrimination, as is victimization. While racially motivated acts or threats of violence are covered by criminal law, racial harassment and racial abuse may, in certain circumstances, also amount to racial discrimination under the Act. The *Race Relations Act* 1976 does not use the term "racial harassment", but industrial tribunals are increasingly willing to conclude that racial harassment and abuse at work is "less favourable treatment on racial grounds" and therefore constitutes unlawful racial discrimination. As with sexual harassment, employers are responsible for protecting their employees from racial harassment, whether they are subjected to it by employees or third parties.

Responsibility for the administration, review and enforcement of the *Race Relations Act* rests with the Commission for Racial Equality. The Commission was set up under the 1976 *Race Relations Act*, as a publicly funded, independent organization with the mandate of tackling racial discrimination and promoting racial equality. Its present budget stands at approximately 15 million pounds ($35.8 million Canadian), twice the amount allocated to the Equal Opportunities Commission for administering the *Sex Discrimination Act*.

> *The Commission for Racial Equality shares common ground with the Equal Opportunities Commission in that the acts by which they were established, those of 1976 and 1975 respectively, provide similar powers and duties and similar roles regarding enforcement.*

Under the 1976 Act, the Commission for Racial Equality has three main statutory duties. In addition to its obligation to work towards the elimination of racial discrimination and the promotion of equality of opportunity, the Commission must also encourage good relations between people from different racial backgrounds. Furthermore, it must also monitor the compliance with the Act and recommend ways in which it can be improved.

While the Commission has the legal power to conduct formal investigations of companies and organizations where there is evidence of possible discrimination, the exercise of legal powers alone does not fulfill its statutory duties. In order to meet these obligations, the Commission also undertakes the following activities: issues codes of practice and racial equality standards, advises employers and training bodies with regard to best practices and compliance with the legislation; keeps policy makers, national bodies and the media informed of developments; supports research into race issues; and runs public education campaigns. The Commission's experience has been that the codes of practice have only had a limited amount of success so the Commission has decided to draw up equality assurance standards which actually translate equality into action. The standards set out realistic and measurable criteria which lead to results.

While there is no denying that the Commission plays a pivotal role in the promotion, monitoring and delivery of the Act, a great deal of responsibility is nonetheless placed at the level of the individual complainant. If a person believes that he or she has been discriminated against at work, that individual has the right to take his or her employer to the industrial tribunal where the onus is on the complainant to prove his or her case.

Race Relations in the 1990s

The 1990s have seen an increase in the ethnic composition of industrialized populations. In Britain, at the time of the last census in 1991, just over three million or 5.5 per cent of the country's 55 million people did not classify themselves as white.

Most immigrants today come from other parts of Europe, or are work permit holders, mainly coming from the United States and Japan. Since the end of the Second World War, refugees have come from a variety of countries such as Hungary, Chile, Cyprus, Argentina, Somalia, Lebanon, Vietnam and Nigeria.

Britain's ethnic minority communities are typically characterized by high levels of unemployment. As of May 1999, the employment rate for all ethnic minorities was 57 per cent. It should be noted however, that there is considerable variance

Table 1
Ethnic Composition of the Population of Great Britain, 1991

	Number	Total population (%)	Born in United Kingdom (%)
Total population	54,888,844	100.0	93
White	51,873,794	94.5	96
Ethnic minorities	3,015,050	5.5	48
Black Caribbean	499,964	0.9	53
Black African	212,362	0.4	36
Black other	178,401	0.3	84
Indian	840,255	1.5	42
Pakistani	476,555	0.9	50
Bangladeshi	162,835	0.3	37
Chinese	156,938	0.3	28
Other Asian	197,534	0.4	22
Other-other	290,206	0.5	40

Note: The Commission for Racial Equality now recommends that the Irish population now be added as an additional ethnic category.

Source: Commission for Racial Equality Factsheets: Ethnic Minorities in Britain.

between, for example, black Caribbeans (67 per cent) and Bangladeshis (37 per cent), and, within these groups, between men and women.

Forecasts indicate that within 20 years, members of ethnic minorities will make up approximately ten per cent of the population, a share which is not expected to change significantly in the following years.

While progress has been uneven, it must nevertheless be acknowledged that throughout the years, race relations legislation has enabled thousands of people to challenge discriminatory treatment. A total of 2,518 cases were brought before Employment Tribunals in England and Wales in 1997-98 under the *Race Relations Act*.

In 1998, the Commission received 1,657 applications for assistance, indicating little change from the previous year. Complaints relating to employment fell by approximately six per cent, but continued to make up two-thirds of all applications. The majority of complaints relating to employment alleged direct discrimination on racial grounds: 341 were related to dismissal, 149 to recruitment, 77 to promotion and 727 to some other detriment (Commission for Racial Equality (1999)).

Recent Developments

Over the course of the past year, race relations in Britain have risen to the top of the political agenda. In the face of continuing racism and racial discrimination, major reforms are being proposed, new initiatives are being introduced and new bodies are being established.

1. Commission for Racial Equality 1998 Review of the *Race Relations Act* – The Commission has a statutory duty to keep the *Race Relations Act* under review and to make recommendations to government if it thinks changes are necessary. The Commission carried out its first review of the Act in 1985 and submitted it to the Home Secretary but no response was ever received. In 1992, the Commission submitted its second review and in 1994, a full response was received, effectively rejecting nearly every one of its proposals.

The third review, which was submitted to the Home Secretary on April 30, 1998, builds on the work of earlier reviews but also recognizes important legal and political changes such as the growing importance of European Community Law. In his response, the Home Secretary agreed without reservation to many of the Equal Opportunities Commission's recommendations, although in most instances no clear indication was given as to when they are to be included in the legislation.

The Home Secretary has agreed with the following Commission for Racial Equality proposals:

- **Duties of public bodies** – All public bodies should have a specific duty under the Act to work for the elimination of racial discrimination and to promote equality of opportunity and good race relations between people from different racial groups. As part of this duty, public bodies should: monitor both employment and service delivery by ethnic group; report annually on how they have fulfilled their racial equality duties; include equality terms in their external contracts and funding agreements; and consider the implications for racial equality of all their policies or actions. The Commission for Racial Equality is recommending that employer obligations, the likes of which already exist under Canada's *Employment Equity Act*, be adopted in Great Britain.

- **Indirect discrimination** – A new definition should be adopted which would enable the applicant to establish indirect discrimination without having to rely on statistics or establish a suitable pool for comparison (as is currently the case); and

- **Legally binding undertakings** – If the respondent admits discrimination and agrees to take remedial action, the Commission for Racial Equality should be able to obtain a legally binding undertaking from the respondent that such action will be taken according to a specified timetable. This was the single proposal in the Second Review of the *Race Relations Act* that was not opposed by the previous Home Secretary. During the period 1994-97 discussions with the Home Office failed to produce legislation for this purpose.

There are a number of other proposals in the Third Review to which the Home Secretary gives conditional support. These include:

- **Positive action** – The Commission for Racial Equality recommends that the Act clearly specify what positive action is permitted, and that it should include: training for the exclusive benefit of members of a particular racial group; reserved places on non-exclusive courses; training bursaries; on-the-job training and apprenticeship training for up to two years; and

- **Widening the scope** – The Act should provide protection for volunteers, office holders and contractors who provide staff. While the Home Secretary sees merit in an amendment regarding protection for volunteers, he has not commented on the situation of office holders and contractors who provide staff.

The Home Secretary has not accepted the need at present for the following proposals:

- **Ethnic monitoring** – It should be made compulsory for all employers with more than 250 employees; and

- **Employment in the public service** – The Commission for Racial Equality recommends the modification or removal of the blanket exemption which permits all employment for the Crown and for prescribed public bodies to be restricted to people of particular birth, nationality, descent or residence. The Home Secretary has indicated that this requires separate legislation and would therefore, not be appropriate as an amendment to the *Race Relations Act*.

There remain a substantial number of Commission proposals on which the Home Secretary has not commented. Without comment, it is not known whether the following proposals have been rejected or whether they are still under consideration:

- **Genuine occupational qualifications** – The Commission recommends that this exemption apply only where the employer can demonstrate that the employee's racial group is an essential, defining feature of the job;

- **Remedies from tribunals** – Industrial tribunals should have wider power to make recommendations on the future conduct of a respondent, including how the applicant should be treated and what steps should be taken to change the policies and practices which gave rise to the complaint; and

- **Class action** – Tribunals should have the power to consider a group complaint, instead of requiring each person to bring separate proceedings. There is a possibility that this change may come about through amendment of civil justice procedures without the need to amend the *Race Relations Act*.

2. The creation of the Race Employment and Education Forum – Established in October 1998 by the Department for Education and Employment, the Forum functions as a race advisory body. It considers and advises on matters relating to the progress of ethnic minorities in the labour market, including the interface between employment, education and training. As its first priority, the Forum has identified the need to ensure that small and medium-sized businesses – the fastest growing source for new jobs – operate effectively as equal opportunity employers.

The Forum was initially envisaged as but one component of the government's New Deal strategy. The New Deal is a key part of the Government's Welfare to Work strategy. It gives jobseekers the chance to develop their potential, gain skills and experience and find work. The Forum fits in nicely with the Government's action plan to encourage more Black and Asian employers to get involved in the New Deal. The action plan, which follows consultation on the New Deal strategy for engaging ethnic minority jobseekers and businesses, sets out action at national and local levels and throughout partnerships to ensure that the needs of ethnic minorities are taken into account in the planning and delivery of the New Deal.

3. The Commission for Racial Equality's Leadership Challenge – Launched in early 1999, this initiative invites heads of organizations in all sectors of public life to give a personal lead in promoting the principle of racial equality and taking the practical action that will make it a reality. As of February 1999, the Challenge had been taken up by over 150 key individuals in the public, private and voluntary sectors.

4. Macpherson Report – On February 24, 1999, the *Macpherson Report of the Stephen Lawrence Inquiry* was published. The Report is an examination into the highly publicized handling by the police of the 1993 death of Stephen Lawrence, a student who was murdered by a group of white youths at a bus stop in Eltham, South London; the attack was unprovoked and racially-motivated. While not directly related to racial discrimination in employment, the release of the Macpherson Report has broad implications for race relations in all spheres of life.

The report found the police to have been incompetent and "institutionally racist", and consequently, the author challenged all citizens of Great Britain, not just the police service, to tackle discrimination wherever it is found.

Excerpt from the *Macpherson Report of the Stephen Lawrence Inquiry*

"It is incumbent on every institution to examine their policies and the outcome of their policies and practices to guard against disadvantaging any section of our communities. ... There must be an unequivocal acceptance of the problem of institutional racism and its nature before it can be addressed, as it needs to be, in full partnership with members of minority ethnic communities". (Commission for Racial Equity (1999)).

The recognition of the extent and nature of the problem of institutional racism, discrimination and prejudice in the British society shown in the Report marks a new stage in dealing with these problems. The Report's findings are a reminder to every organization and employer that good policies on paper are only the first step and that in order for these policies to be effective, they must be implemented and monitored throughout the organization.

3 – *Disability Discrimination Act* 1995

Overview

The 1995 *Disability Discrimination Act* establishes rights for persons with disabilities in the areas of employment, transportation, education, the provision of goods and services, and buying or renting land and property.

The employment provisions contained within the Act apply to the public sector and all private sector employers with 15 or more employees, making it unlawful for them to discriminate against current or prospective workers with disabilities. These employers are prohibited from discrimination in all aspects of employment, including: recruitment and retention; terms and conditions of service; working conditions; promotions and transfers; training and development; pensions; access to benefits; and dismissal. Although the employment provisions of the Act do not apply to employers with fewer than 15 employees, other parts of the Act may apply to such organizations (eg. the provisions concerning access to goods, facilities and services).

At the centre of the legislation lies a definition of disability which gives new rights to people who have or have had a disability which makes it difficult for them to participate in daily life. Under the Act, disability is defined as "a physical or mental impairment which has a substantial and long-term adverse effect on a person's ability to carry out normal day-to-day activities". Mental impairments are included under the Act only if they have been recognized by a respected body of medical opinion. Long-term effects must have lasted or be expected to last for at least 12 months. Conditions which have a slight effect on daily functioning, but are expected to become substantial, are also covered.

Also worthy of examination is the concept of discrimination itself. Under the Act, an employer will be said to discriminate against a person with a disability "if

a) for a reason which relates to the disabled person's disability, he treats him less favourably than he treats or would treat others to whom that reason does not or would not apply; and

b) he cannot show that the treatment in question is justified." (Her Majesty's Stationary Office (1995)).

While this definition of discrimination does address acts committed in a direct or overt manner, it does not contain a formula for indirect discrimination. This is in contrast to the definitions laid out in sex and race discrimination legislation, both of which explicitly recognize covert and overt discrimination. However, the Government's position is that the provisions of Part II, Section 4 – Discrimination by Employers – cover discrimination of a covert or institutionalized nature. "The Government clearly intended that indirect discrimination would be prohibited and that this should be underlined by the duty to make reasonable adjustments." (Doyle, Brian (1996)).

Under the Act, employers are mandated to make "reasonable adjustments" in order to accommodate the needs of employees with disabilities. This duty to make adjustments is based on the concept of "reasonable accommodation" contained in both the *Americans with Disabilities Act* and the Canadian *Employment Equity Act*. The duty of reasonable adjustments applies where any physical feature of the premises occupied by the employer, or any arrangements made by or on behalf of the employer, cause a substantial disadvantage to a disabled person compared with a non-disabled person. Physical features include anything on the premises arising from a building's design or construction or form; an approach to, exit from or access to such a building; and fixtures, fittings, furnishings, equipment or materials. The duty applies to arrangements for determining to whom employment should be offered or any term, condition or arrangement on which employment, promotion, transfer, training or any other benefit is offered or afforded.

Responsibility for the employment provisions of the *Disability Discrimination Act* falls to the Department for Education and Employment. However, the legislation also provided for the creation of a National Disability Council charged with the responsibility of advising the Government on the implementation of the legislation and on matters of discrimination in general.

In conjunction with its statutory duties to advise the Secretary of State on measures to reduce or eliminate discrimination and on the administration of the Act, the Council is required to submit an annual report to Parliament at the end of each financial year and to prepare codes of practice as needed.

It is important to note that, unlike the Commission for Racial Equality and the Equal Opportunities Commission, the National Disability Council does not have the power to investigate individual complaints. While the Council fulfills an important advisory role, it plays no part in the enforcement of the law, nor is it empowered to represent individuals appearing before the employment tribunal.

Persons with disabilities who believe that they have been discriminated against under the employment provisions of the Act may make a complaint to an employment tribunal, however a tribunal hearing may be averted if either party requests that the Advisory Conciliation and Arbitration Service intervene and attempt to mediate a settlement. As with race relations and sex discrimination legislation, the *Disability Discrimination Act* does not provide for class action.

Persons with Disabilities in the 1990s

Persons with disabilities currently account for nearly a fifth of the working-age population in Great Britain, and yet make up only 11 per cent of all people in employment.

New research shows that there have been more cases taken under the employment provisions of the *Disability Discrimination Act* in its first year than there were under the employment provisions of the *Sex Discrimination Act* or the *Race Relations Act* in their first years. By early July 1998, nearly 2,500 employment cases were registered. Sixty per cent of applicants were men and the most common disabilities among applicants were: problems associated with the back or neck; depression, and bad nerves or anxiety.

The majority of these cases involved claims of wrongful dismissal, with only one in ten being a recruitment case. Of those complaints which were heard at tribunal, 16 per cent were successful. At 2,000 pounds (approximately $4,780 Canadian) the median award figure for *Disability Discrimination Act* cases was substantially lower than for both *Sex Discrimination Act* and *Race Relations Act* cases.

Key findings of a national interview survey of 2,000 disabled people of working age (Meager, N., P. Bates, S. Dench, S. Honey and M. Williams (July 1998)).

- *one in six persons with disabilities who are or have been economically active say that they have experienced discrimination or unfair treatment in a work-related context;*
- *persons with disabilities from ethnic minorities are more likely to be unemployed than their white counterparts; and*
- *at 196 pounds per week, the average take-home pay of employees with disabilities is lower than that of non-disabled employees (212 pounds per week).*

Recent Developments

Over the course of the past year and a half, the employment provisions of the Act have undergone or are presently undergoing a number of changes aimed at not only increasing the effectiveness but also expanding the scope of the Act.

1. Disability Rights Commission – Expected to commence operation in April 2000, the Disability Rights Commission will replace the existing National Disability Council, a largely advisory body. The Commission will be significantly more powerful than its predecessor in that it will be charged with investigative and other enforcement duties similar to those of the Equal Opportunities Commission and the Race Relations Commission.

2. Better Regulation Task Force on Anti-Discrimination Legislation – The May 1999 Task Force Report highlighted a number of areas of critical importance for immediate action:

- **Definition of "disability"** – The Task Force criticized the lack of a widely-understood shared definition of disability, emphasizing that employers and employees alike need to have greater clarity over definitions which will be used by the tribunals and the new enforcement agency.
- **Exemption Threshold** – Although the exemption threshold of the *Disability Discrimination Act* was recently reviewed and reduced from 20 to 15 employees, the current level still leaves up to 25 per cent of workers outside the scope of the regime. The Task Force, therefore, recommended that the threshold be revisited.

Conclusion

Anti-discrimination legislation cannot remain static, it must be responsive to social and demographic change or risks becoming ineffective. New developments in race relations, gender equality and disability awareness in Great Britain have necessitated that the existing legislative framework adapt in order to meet the changing needs of its target populations. From the recognition of the rights of transsexuals to a growing awareness of institutional racism, to a strengthened enforcement of the rights of persons with disabilities, the scope of anti-discrimination legislation is continuously being redefined.

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Comparison of the Major Provisions of the Federal *Employment Equity Act* and British Anti-Discrimination Legislation

	CANADA	**GREAT BRITAIN**[1]		
	***Employment Equity Act* 1995**	***Sex Discrimination Act* 1975**	***Race Relations Act* 1976**	***Disability Discrimination Act* 1995**
Purpose	To achieve equality in the workplace so that no person shall be denied employment opportunities or benefits for reasons unrelated to ability and in the fulfillment of that goal, to correct the conditions of disadvantage in employment experienced by women, Aboriginal peoples, persons with disabilities and members of visible minorities by giving effect to the principle that employment equity means more than treating persons in the same way but also requires special measures and the accommodation of differences.	To render unlawful certain kinds of sex discrimination and discrimination on the grounds of marriage, and establish a Commission with the function of working towards the elimination of such discrimination and promoting equality of opportunity between men and women generally; and for related purposes.	To make fresh provision with respect of discrimination on racial grounds and relations between people of different racial groups; and to make in the *Sex Discrimination Act 1975* amendments for bringing provisions in that Act relating to its administration and enforcement into conformity with the corresponding provisions in this Act.	To make it unlawful to discriminate against disabled persons in connection with employment, the provision of goods, facilities and services or the disposal or management of premises; to make provision about the employment of disabled persons; and to establish a National Disability Council.
Designated Groups and related definitions	• WOMEN; • ABORIGINAL PEOPLES: persons who are Indians, Inuit or Métis; • PERSONS WITH DISABILITIES: those with any **previous or existing mental or physical disability**, including disfigurement and includes previous or existing dependence on alcohol or a drug; • MEMBERS OF VISIBLE MINORITIES: persons, other than Aboriginal peoples, who are nonCaucasian in race or nonwhite in colour.	GENDER Note that all provisions of the Act are to be read as applying equally to the treatment of men.	Under the Act, discrimination is prohibited on the grounds of COLOUR, RACE, NATIONALITY, AND ETHNIC OR NATIONAL ORIGINS. Note that the term "ethnic origin" has been interpreted broadly, to mean a segment of the population distinguished from others by a sufficient number of shared customs, beliefs, traditions, and characteristics derived from a common past so as to give them an historically determined social identity, so covering groups like Jews, Sikhs and gypsies.	DISABLED PERSONS *Disability* is defined as a physical or mental impairment which has a **substantial** and **long-term** adverse effect on an individual's ability to carry out normal day-to-day activities. This definition includes **past disabilities** and people with severe disfigurement.
Scope	The ***Employment Equity Act*** makes it unlawful to discriminate in employment.	The ***Sex Discrimination Act*** makes it unlawful to discriminate in **employment**, education, advertising or when providing housing, goods, services or facilities. It is unlawful to discriminate because someone is married, in **employment** or advertisements for jobs.	The ***Race Relations Act*** protects people from racial discrimination in **employment**, education, housing, and the provision of goods, facilities and services.	The ***Disability Discrimination Act*** establishes rights for disabled persons in the areas of **employment**, the provision of goods and services, buying or renting land and property, transportation and education

continued

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[1] Please note that the term "Great Britain" encompasses Britain, Scotland and Wales, whereas the term "United Kingdom" encompasses Britain, Scotland, Wales AND Northern Ireland.

Comparison of the Major Provisions of the Federal *Employment Equity Act* and British Anti-Discrimination Legislation (continued)

	CANADA	GREAT BRITAIN[1]		
	***Employment Equity Act* 1995**	***Sex Discrimination Act* 1975**	***Race Relations Act* 1976**	***Disability Discrimination Act* 1995**
Coverage	The Act applies to federally-regulated employers and Crown corporations with **100 or more** employees, as well as all federal departments, agencies and commissions. The Royal Canadian Mounted Police and the Canadian Forces will be covered upon order of the Governor-in-Council following the development of regulations adapting provisions of the Act and *Regulations* to ensure operational effectiveness.	The Act applies to the whole of Great Britain. Sex discrimination is outlawed in both the **public and private** sectors and **all employers** are covered, regardless of the number of persons employed. Nothing in the Act renders unlawful discrimination in admission to the Army Cadet Force, Air Training Corps, Sea Cadet Corps or Combined Cadet Force, or any other cadet training force administered by the Ministry of Defence.	The Act applies to the whole of Great Britain. With regard to protection in the realm of employment, the Act covers **all employers**, no matter how large or small, in both the **public and the private** sectors. The Act does, however, contain a blanket exemption whereby all employment for the Crown and for prescribed public bodies may be restricted to people of a particular birth, nationality, descent or residence if this is done in compliance with an Act of Parliament, or the orders of a government minister. Furthermore, nothing shall render unlawful an act done for the purpose of safeguarding national security.	The employment provisions of the Act apply to **public and private** sector employers in Great Britain and Northern Ireland with **15 or more employees**. The Act does not, however, apply to operational staff employed in the armed forces, the police, the prison services, the fire services, or to anyone employed on board ships, hovercrafts or airplanes.
Enforcement	The Canadian Human Rights Commission has been given the mandate to monitor and ensure compliance through on-site audits. An Employment Equity Review Tribunal has been created to ensure final enforcement of the Act where necessary. Tribunal orders can be registered with the Federal Court.	The Equal Opportunities Commission is a statutory and independent body charged with the mandate of providing advice, assistance and representation for individual complainants. The Commission also has the power to conduct formal investigations. Adjudication responsibilities lie with industrial tribunals.	The Commission for Racial Equality is a publicly funded, independent organization charged with the mandate of providing advice, assistance and representation for complainants of racial discrimination, harassment or abuse. The Commission also has the power to conduct formal investigations. Adjudication responsibilities lie with industrial tribunals.	A new Disability Rights Commission is slated to commence operation in April 2000. The Disability Rights Commission will replace the existing National Disability Council, which currently fulfills a largely advisory role. The Disability Rights Commission will be a significantly more powerful body in that it will be charged with investigative and other enforcement duties similar to those of the Equal Opportunities Commission and the Commission for Racial Equality.

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[1] Please note that the term "Great Britain" encompasses Britain, Scotland and Wales, whereas the term "United Kingdom" encompasses Britain, Scotland, Wales AND Northern Ireland.

MERIT AWARD PROGRAM FOR INITIATIVES IN EMPLOYMENT EQUITY

Michael Paliga
Workplace Equity Program, Operations Directorate
Labour Program, Human Resources Development Canada

Employment Equity Act – Federal Jurisdiction

The purpose of the Act is to achieve equality in the workplace for women, Aboriginal peoples, persons with disabilities and members of the visible minorities. In the fulfillment of that goal, employers are asked to correct disadvantages in employment experienced by the designated groups by giving effect to the principle that employment equity means not only that they must treat people the same way, but also that they must take special measures and accommodate differences.

The core obligations of the employers implementing employment equity are to survey their workforce to collect information on the number of members of designated groups, to carry out a workforce analysis to identify any underrepresentation of members of designated groups, to review their employment systems, policies and practices to identify employment barriers, and to prepare an employment equity plan that outlines what their organization will do to both remove barriers and institute positive policies and practices. The plan must include a timetable and establish short- and long-term numerized goals. The Canadian Human Rights Commission has the authority to carry out on-site audits to determine whether the employers have met these obligations.

The Act states that federally regulated employers in the private sector and Crown corporations with 100 or more employees must also report annually to the Minister of Labour on their progress in achieving a representative workforce. A provision of the Act allows the government to fine an employer who fails to file an employment equity report, or who fails to include any information that is required, or provides false or misleading information in the report.

Federal Contractors Program

The Program requires employers who do business with the Government of Canada to achieve and maintain a fair and representative workforce. It requires companies that employ 100 or more people, and which obtain goods and services contracts valued at $200,000 or more, to implement an employment equity plan that meets the program criteria. The 1996 *Employment Equity Act* ensures that the program requirements, with regard to implementation of employment equity, will be equivalent to those of employers under the Act.

Merit Award Program

Through the Federal Contractors Program and the *Employment Equity Act*, employers have made special efforts to achieve a workforce that is representative of the Canadian population. To honour their efforts, the Government of Canada introduced a merit award program in 1990. The Employment Equity Merit Award Program is administered by the Federal Contractors Program within the Labour Program of Human Resources Development Canada. The Merit Award Ceremony is organized jointly with the Conference Board of Canada. The Ceremony itself is a key event in the Conference Board of Canada's annual "Compensation and Human Resources Conference".

The Employment Equity ***Vision Award*** and ***Certificate of Merit*** are presented to organizations in recognition of their special achievements in employment equity. Those winners recognize that sound human resource planning and employment equity are rooted in a management philosophy that sees respect for employees and workplace improvements as the key to improved organizational performance.

The ***Vision Award*** is presented in recognition of creative and innovative approaches to the implementation of equity and fairness in the workplace. The ***Vision Award*** comes in the form of a bronze statue designed and produced by a Canadian Aboriginal artist, David M. General, from the Six Nations Indian Reserve of Ontario.

The ***Certificate of Merit*** recognizes organizations for special and continuing efforts towards attaining a representative workforce. The ***Certificate of Merit*** is a framed replica of the Vision statue with inscription of the company's name.

Since 1990, 25 statues have been attributed and 70 certificates of merit have been given out to many of the country's top organizations.

Winners are selected by a committee consisting of private sector employment equity practitioners and representatives from the previous year award winners. The session is facilitated by an officer from Labour Standards and Workplace Equity. The panel of judges also includes one regional representative from the Labour Program.

The Merit Awards and Certificates of Merit were presented on November 1, 1999 by the Assistant Deputy Minister-Labour Program, Warren Edmondson, at the Conference Board of Canada's annual "Compensation and Human Resources Conference".

1999 Vision Award Winners

Andersen Consulting

Andersen Consulting has more than 65,000 employees in 48 countries, including 1,300 professionals in Canada. This global management and technology consulting organization is working hard to create a brighter future for women, visible minorities, Aboriginal peoples and persons with disabilities.

Andersen Consulting's inclusive corporate culture reflects a company-wide commitment to meet the needs of an increasingly diverse workforce. This commitment to equity is reflected in the Braille business cards used by the company's recruiters, and in harassment awareness and diversity training programs. It has inspired mentoring programs to enhance career development and retain women in senior management. It has led to a special internship program that offers Aboriginal high-school students an opportunity to gain hands-on-experience in a consulting environment over the summer. Andersen Consulting's commitment stands behind the company's redesigned work stations and the special technologies and full-time attendant support services that are breaking down employment barriers for persons with disabilities.

Flexible work schedules, part-time employment opportunities and generous provisions for maternity leave are further evidence of the many ways Andersen Consulting is at work for employment equity every day of the year.

Husky Oil Limited

With headquarters in Calgary, Alberta, Husky Oil is an integrated oil and gas company with more than 1,700 employees. In 1995, Husky's board of directors approved policies on equity, diversity and harassment. A standing committee of the board was established to oversee these and other equity initiatives and to receive annual progress reports.

These early achievements earned Husky an Employment Equity Certificate of Merit in 1997. The company has never looked back. Today, the principles of employment equity are an integral part of the organizational fabric at Husky.

The company uses an employee-driven relationship management approach to make the link between Husky operations and the interests of neighbouring Aboriginal communities. Other initiatives include an Aboriginal education program which provides funding for post-secondary education and secondary school upgrading. Husky's Bridging Program introduces women to non-traditional jobs. A summer camp provides development opportunities for the children of working parents. An innovative employment program provides on-the-job experience for people with disabilities.

The key to Husky's success? Employee involvement at every level. Valuing equity and diversity is simply how Husky employees go about their business – within the company, and in the communities where they live.

University of Windsor

The University of Windsor, Ontario, won an Employment Equity Certificate of Merit in both 1997 and 1998. This year's Vision Award speaks to the pioneering efforts of this diverse community and its success in breaking down the barriers to both employment and learning.

A review committee and presidential commission promote equity in faculty hirings. Dozens of volunteer assessors help to ensure that appointments conform to both the letter and the spirit of the university's equity policy. Meanwhile, a coordinating committee has begun a comprehensive review of the university's other hiring policies and practices.

Elsewhere, senior university administrators have opened a dialogue with the First Nations of Southwestern Ontario. Through visits to neighbouring Aboriginal communities, they are building linkages, obtaining advice and consulting with community leaders on ways to improve Aboriginal representation in the university's workforce.

The university's Aboriginal Education Centre; women's studies programs; offices for Special Needs, Human Rights and Employment Equity; and a cooperative daycare centre are other examples of the many ways the University of Windsor is making equity and diversity come to life for its students, faculty and staff.

1999 Certificates of Merit

Certificates went to three organizations for special activities in support of attaining a representative workforce. The 1999 recipients are: **Air Canada**, **Rogers Cantel Inc**. and **Shell Canada Limited**.

The organizations honoured this year by the Labour Program of Human Resources Development Canada understand the benefits of making the best use of Canada's human resources. These employment equity practitioners have stepped beyond traditional approaches to human resources management by fostering organizational cultures that not only manage diversity, complexity and change, but also capitalize on these same qualities.

Vision Awards

1998

- Eli Lilly Canada Inc.
- Knoll North America Corp.
- Saskatchewan Wheat Pool

1997

- Carrier Canada Limited
- General Motors of Canada Limited
- Microsoft Canada Co.
- The University of British Columbia

1996

- 3M Canada Co.
- Manitoba Hydro
- Proctor and Gamble Inc.

Certificates of Merit

1998

- Atlantic Tractors and Equipment Limited
- IBM Canada Ltd.
- Queen's University
- University of Windsor

1997

- Andersen Consulting
- Canada Post Corp.
- General Motors of Canada, Diesel Division
- Husky Oil Ltd.
- ORTECH Corporation
- Rogers Broadcasting Limited
- Sun Life Assurance Company of Canada
- National Life Assurance Company of Canada
- University of Windsor

1996

- Coopers and Lybrand
- Eli Lilly Canada Inc.
- Global Upholstery Co. Inc.
- Great-West Life Assurance Co.
- Inglis Limited
- Northern Telecom Limited
- Royal Bank
- National Life Assurance Company of Canada
- University of New Brunswick

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RAISING THE BAR: BARGAINING INTO THE 21ST CENTURY

CANADIAN AUTO WORKERS' OFFICIALS SHARE THEIR BARGAINING STRATEGIES AND OUTCOMES WITH THE LABOUR PROGRAM

Nancy Porter, Collective Bargaining Specialist
Settlement Section, Workplace Information Directorate
Labour Program, Human Resources Development Canada

On November 18, 1999, employees of Human Resources Development Canada's Labour Program were invited to an exclusive presentation. Canadian Auto Workers President, Buzz Hargrove, and Assistant to the President, Peggy Nash, agreed to share the important outcomes of recent contract talks with the three major employers in Canada's automobile industry: Ford Motor Company of Canada, Limited (contract signed in September 1999), and DaimlerChrysler Canada Limited and General Motors of Canada (contract signed in October 1999). Their talk focused on the successful negotiation of contract language for employees with lives both in and beyond the workplace, notably in the areas of work/family balance and income/employment/pension security.

These achievements coincided with several government and Labour Program priorities concerning children, knowledge, youth, health and the environment, outlined in the October 1999 Speech from the Throne. In fact, the day Mr. Hargrove and Ms. Nash spoke, they had presented their union's position for a national child care program to the National Children's Agenda Caucus Committee.

Significant wage increases, excellent pension and health benefit improvements, inflation protection, more paid time off! Plus breakthrough employer contributions to child care and to post-secondary education for employees' families! How did they dare to dream of it? What did they do to achieve it?

Both Mr. Hargrove and Ms. Nash referred to the Canadian Auto Workers' social union tradition. Social unionism recognizes that members are whole human beings with lives within and beyond the workplace. It requires union programs to address both the workplace and the societal conditions that affect members' lives. The **Raising the Bar** presentation was a gallery of social union themes: understanding the conditions in business and societal environments; raising, discussing and reaching consensus on issues and priorities; and developing and employing the skills and strategies to achieve bargaining breakthroughs and influence societal issues.

Mr. Hargrove introduced his union's negotiations with the major automobile companies by pointing out that Canadians are producing more wealth today than at any other time in the history of our nation, and that this wealth is concentrated in increasingly fewer hands. The question the union poses is not "can Canada afford wage improvements and social benefits", but rather "what are our priorities as a society"?

To achieve its priorities and raise the bar, particularly in negotiations with the three major auto companies, the union spends a lot of time preparing to bargain. As a result, the union and its members know the bargaining environment. For example, Canadian auto assembly plants are more productive than United States and European plants, quality is as good or better, and labour costs are lower. The union is then confident in seeking a share of the wealth its members' productive work generates.

The union's priorities for that share in 1999 major auto bargaining included conventional union issues – improved pensions and wages with cost-of-living protection, and increased time away from the job. Less conventional priorities included breakthroughs that addressed members' needs considering societal conditions.

Pension Improvement was the top priority. Mr. Hargrove explained that auto industry employers make the entire contribution to employee pensions, and that the union negotiates pension terms and conditions every six years. Ms. Nash added that the excellent pension and early retirement improvements in the 1999 agreements encourage senior employees to retire early, retaining and creating employment opportunities for younger workers with less seniority.

Mr. Hargrove stressed that the union began its automobile industry pattern bargaining with the prosperous Ford Motor Company of Canada, Limited, with strong membership support, for what it calls an **annual improvement factor:** an increase directly related to productivity improvements. Employees were prepared to turn down the initial offer, and won a three per cent annual improvement factor plus cost-of-living allowance as the wage share of their adaptation and contribution to the employer's productivity and prosperity. The union achieved this with no work stoppage.

The third conventional kind of productivity recognition members sought was increased time away from the job. In its 1993 collective agreements, the union had introduced a **special paid absence;** paid time off scheduled by computer. The 1999 settlements raised the bar by adding one such week over the three-year life of the agreements, providing employees with two scheduled weeks a year to spend with their families in addition to statutory holidays and vacations.

The union also uses bargaining to deal with curtailed and reduced social benefits to people. For example, the union introduced **child care provisions** into its major auto agreements in 1983, expanded the language in 1987, and opened its first child care centre in Windsor in 1991. Mr. Hargrove proudly invited visits to this auto-worker friendly model, which is open 21 hours a day, accommodates all shifts, and accepts children during shift change as one parent is about to start work and the other is finishing the previous shift. A second centre was established in Oshawa. Without funding assistance, however, such model arrangements are inaccessible to many families. The 1999 auto settlements raised the bar by including an employer-paid supplement of up to $10 per day per pre-school child in licenced, non-profit child care.

Further, to offset rising **post-secondary education costs** to families, the 1999 auto settlements introduced a new, employer-paid annual contribution of $800 for each dependent enrolled in college or university. Because **para-professional costs** are increasingly borne by families rather than public institutions, additional new family-related benefits include in-home services of a registered nurse or a registered practical nurse up to four hours per day to an annual maximum of $7,500, and speech therapist services up to $400 per participant per year.

Throughout their presentation, both Mr. Hargrove and Ms. Nash repeated that the success of such union breakthroughs depends on the will to pursue them and the membership support for them. Both mentioned several important union steps that introduce issues, encourage discussion and develop consensus long before local members meet to set bargaining demands and choose their teams.

Major auto employee orientation includes a component that introduces new workers to their union. In 1997, the union introduced paid union education leave into its collective agreements to ensure resources to provide continuing education to members.

The Canadian Auto Workers education programs extend well beyond skills and knowledge development. They are also incubators for creating networks, discussing issues, developing and sharing action ideas. Both speakers mentioned their union's Family Education Centre on Lake Huron, with its child care facilities and its special summer family week program for union members.

Also, the union's triennial Collective Bargaining and Political Action Convention brings representatives from all industries across Canada to review the situation in each major sector and discuss common current issues in terms of both a bargaining program and a political action plan, another example of membership development to pursue union goals in more than one way.

Further, when asked about union strategies to integrate/include women in a predominantly male union environment, Ms. Nash described several initiatives. These include a two-week residential leadership program for women, a women's department, and a similar structure for visible minorities. She concluded by emphasizing that encouraging members to organize and caucus within the union, and acting on their proposed solutions to challenges, make the union more attractive and responsive to all members. For example, all members appreciate improved accessibility, they benefit from family-friendly union programs, and meetings can be more focused and productive when they are kept short to respect union members' lives beyond union participation.

In ***Raising the Bar***, Mr. Hargrove and Ms. Nash transformed a superficial image of lucky workers in auto assembly heaven to a sharper picture of how the union and its members set, achieve, and build on bargaining goals to address their needs and share the wealth their productive work has generated. The speakers spotlighted why and how the Canadian Auto Workers works beyond the fair share it can achieve for its members through collective bargaining in a particular plant or industry. The presentation also explained where the union's leaders obtain their authority and confidence to pursue more than one way to do things, ways as bold as setting up model child care centres and presenting their national child care position to a committee of Parliament.

For more information on the union, its policies and programs,
visit its Internet site: http://www.caw.ca/

SELECTION OF RECENT CHANGES IN CANADIAN LABOUR LAWS

Adopted Bills, Regulations and Other Statutory Instruments

Michel Gauvin and Denis Dupont
Labour Law Analysis, Strategic Policy and Partnerships
Labour Program, Human Resources Development Canada

New Brunswick: Announcement of an increase in the minimum wage; Speech from the Throne of November 30, 1999

As part of the Speech from the Throne of November 30, 1999, the government of New Brunswick announced that it will be introducing legislation to increase the minimum wage by 25 ¢ effective January 1, 2000. The 25 ¢ increase will bring the hourly minimum wage from the current level of $5.50 set on July 1, 1996, to $5.75.

Nova Scotia: Amendment to the *Occupational Safety General Regulations* under the *Occupational Health and Safety Act*; Nova Scotia Regulation 92/99, Royal Gazette, Part II, of October 22, 1999

Comprehensive *Occupational Safety General Regulations* containing revised and updated safety requirements were issued under the *Occupational Health and Safety Act* in the spring of 1999. Two sections of the *Occupational Safety General Regulations* relating to demolition work took effect on April 28, 1999. The rest of the Regulations was scheduled to come into force on October 1, 1999; however, as a result of this amendment, that date has been changed to March 31, 2000.

Prince Edward Island: Amendment to the *Minimum Wage Order* under the *Employment Standards Act*; Prince Edward Island Order EC1999-513 Gazetted October 2, 1999

As announced by the government of Prince Edward Island on September 21, 1999, the amended Order provides for a three-phase increase in the general minimum wage rate which will rise from $5.40 to $6.00 per hour. The amendment provides for three 20¢ increments. The first increase takes place on January 1, 2000, when the general minimum wage rate will rise to $5.60 per hour. It will be followed by a second increase on January 1, 2001, bringing the general minimum wage rate to $5.80 per hour, and, finally, a third increase on January 1, 2002 will bring the general minimum wage rate to $6.00 per hour.

The Order comes into force on January 1, 2000.

Quebec: *An Act to amend the Act respecting labour standards and other legislative provisions concerning work performed by children*; Bill 50 sanctioned on November 5, 1999

Bill 50 is a consolidation of provisions on work performed by children. Unless otherwise indicated, the new provisions come into force on February 1, 2000.

According to the amended legislation, an employer is prohibited from having children perform work that is disproportionate to their capacity or that is likely to be detrimental to the child's education, health or physical or moral development.

The legislation also prohibits an employer to have work performed by a child under 14 years of age without first obtaining the written consent of the holder of parental authority or of the tutor. The employer must keep this consent in a register.

In addition, the legislation prohibits employers from having work performed during school hours by a child who is subject to compulsory school attendance. Moreover, according to the amended *Act respecting labour standards*, an employer who has work performed by a child subject to compulsory school attendance must ensure that the child's work is scheduled so that he/she is able to attend school during school hours. (The prohibition to have work performed during school hours was found previously in section 16 of the *Education Act*.)

The amended legislation prohibits employers from having work performed by a child between 11 p.m. on any given day and 6 a.m. on the following day, except in the case of a child no longer subject to compulsory school attendance, or in the case of newspaper deliveries, or in any other case determined by regulation. Moreover, an employer who has work performed by a child must schedule the work so that, considering the family place of residence, the child may be at his or her family residence between 11 p.m. on any given day and 6 a.m. on the following day, except in the case of a child no longer subject to compulsory school attendance or in cases to be determined by regulation. The provisions mentioned in this paragraph will come into force on a date or on dates to be determined by the government.

The new legislation also includes provisions regarding changes to the composition of the Labour Standards Commission (Commission des normes du travail), namely, the addition of one vice-president. According to a Quebec government press release dated October 21, 1999, the modification responds to a need for administrative reorganization resulting mainly from the evolving mandate of the Commission, which is seeking to increase its expertise in the areas of monitoring and inspection.

For additional information on recently adopted or proposed changes to Canadian Labour Laws, please visit the Labour Program Web site at:

http://labour.hrdc-drhc.gc.ca/
and click on "Canadian Labour Law Information".

YESTERDAY AND TODAY

Record of Employment from Paper to Internet Technology

Suzanne Lépinay
Insurance Program Services
Human Resources Development Canada

Fifty Years Ago...

Prior to 1949, at the beginning of each fiscal year, on April 1st, employers were required to deliver their employees' Unemployment Insurance books to the nearest local offices of the Unemployment Insurance Commission for their renewal. In 1949, changes were made in the method of renewal. For the first time, the local manager could arrange for the renewal of the books on the premises of employers with large payrolls.

The *Unemployment Insurance Regulations* required that employers obtain an insurance book promptly for each new insurable employee, that contributions be recorded within 72 hours of each pay day, and that employers give the book to an employee immediately upon separation. The book would then be handed to a new employer immediately upon entering a new job. Failure to comply with these regulations by the employer or employee, could have lead to delays and possible confusion and loss of credit for some of the employee's contributions.

If the instructions were followed carefully by the employers, it was expected that the new plan would improve the service rendered by the Unemployment Insurance Commission.

Today...

Each year, over one million Canadian employers create eight million multiple-part Record of Employment forms at considerable time, expense and aggravation. Every employee termination means the employer must complete a three-part form. The employee receives a copy for possible use in applying for Employment Insurance benefits and a copy is sent to Human Resources Development Canada, where standard data entry captures information to validate applications.

The introduction of a pilot project identified as Record of Employment Web will enable employers to create and print records of employment by using Internet technology (common Internet browsers such as Netscape or Explorer) and submit the records electronically to Human Resources Development Canada. The Web will consist of two main tools: data entry will allow employers to complete forms on the web site and transmit them to Human Resources Development Canada for electronic validation whereupon they will be acknowledged, assigned a serial number and retransmitted to the employer. Bulk transfer will allow employers with a high volume of records to extract data from their payroll systems and submit them in batches, using file transfers over the Internet for bulk processing. The employer will be acknowledged of valid transactions and rejections. The Web will protect the confidentiality, integrity and authenticity of data exchanged by using the *Public Key Infrastructure*, which will use the highest level of security.

The first phase of the pilot, which will start late in January 2000, will include a limited number of employers who issue records of employment without the service of a third party. The objectives are to confirm the concepts of the technology and the requirements of the applications. Subsequent phases will expand participation of employers to cover a wide range of industries, geographic locations and third-party service providers.

The project should realize immediate benefits for employers by reducing the burden of paper records, curtailing the workload of data entry and improving the quality of information through built-in edits.

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Our resources are used by negotiators, researchers, economists, consultants, journalists, teachers and many others. In Canada and abroad, members of the industrial relations community in the private and public sectors regularly call on the Workplace Information Directorate.

Workplace Gazette

A quarterly publication providing data on wage adjustments from major collective bargaining settlements by industry, sector and region; detailed analysis of select provisions in major agreements; comprehensive and in-depth information on innovative workplace practices in Canada resulting from collective bargaining; a quarterly calendar of major collective agreement expiries and reopeners; and, a chronological perspective on work stoppages in Canada. It also features articles or case studies on pertinent industrial relations matters. Annual subscription: Canada, $125 plus 7% GST ($133.75); other countries, U.S. $125.

The Wage Settlements Bulletin

Monthly (12 issues). Provides the most up-to-date information and analysis of major wage developments in collective bargaining in Canada. The Bulletin is a valuable and recognized reference source providing statistical and analytical information illustrated with useful charts and tables on recent wage developments in Canada. The aggregate data and details are published in the following groupings: public and private sectors, regions and jurisdictions, and major industry groups. Annual subscription: Canada, $200 plus 7% GST ($214); other countries, U.S. $200. (Available by fax or by mail).

Collective Bargaining Bulletin

A monthly publication containing timely information based on recently signed major collective agreements in Canada. The publication focuses on summaries of changes to wages and benefits in selected settlements, the status of key negotiations as well as data on work stoppages in Canada. In addition, a listing of formal and up-to-date reports of major settlements is provided and copies are available by calling the Workplace Information Directorate at 1-800-567-6866 or (819)997-3117. Annual subscription: Canada, $50 plus 7% GST ($53.50); other countries, U.S. $50.

Directory of Labour Organizations in Canada

Annual. Includes information on all types of labour organizations in Canada: national and international unions, independent local unions, central labour congresses and certain other union groups. Included for each union are the names of officials, addresses and telephone numbers, membership figures, the titles of publications and the date of conventions. Aggregate statistics on union membership are also included. Bilingual. Canada, $26.95 plus 7% GST ($28.84); other countries, U.S. $26.95.

For further information contact the Directorate:

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